

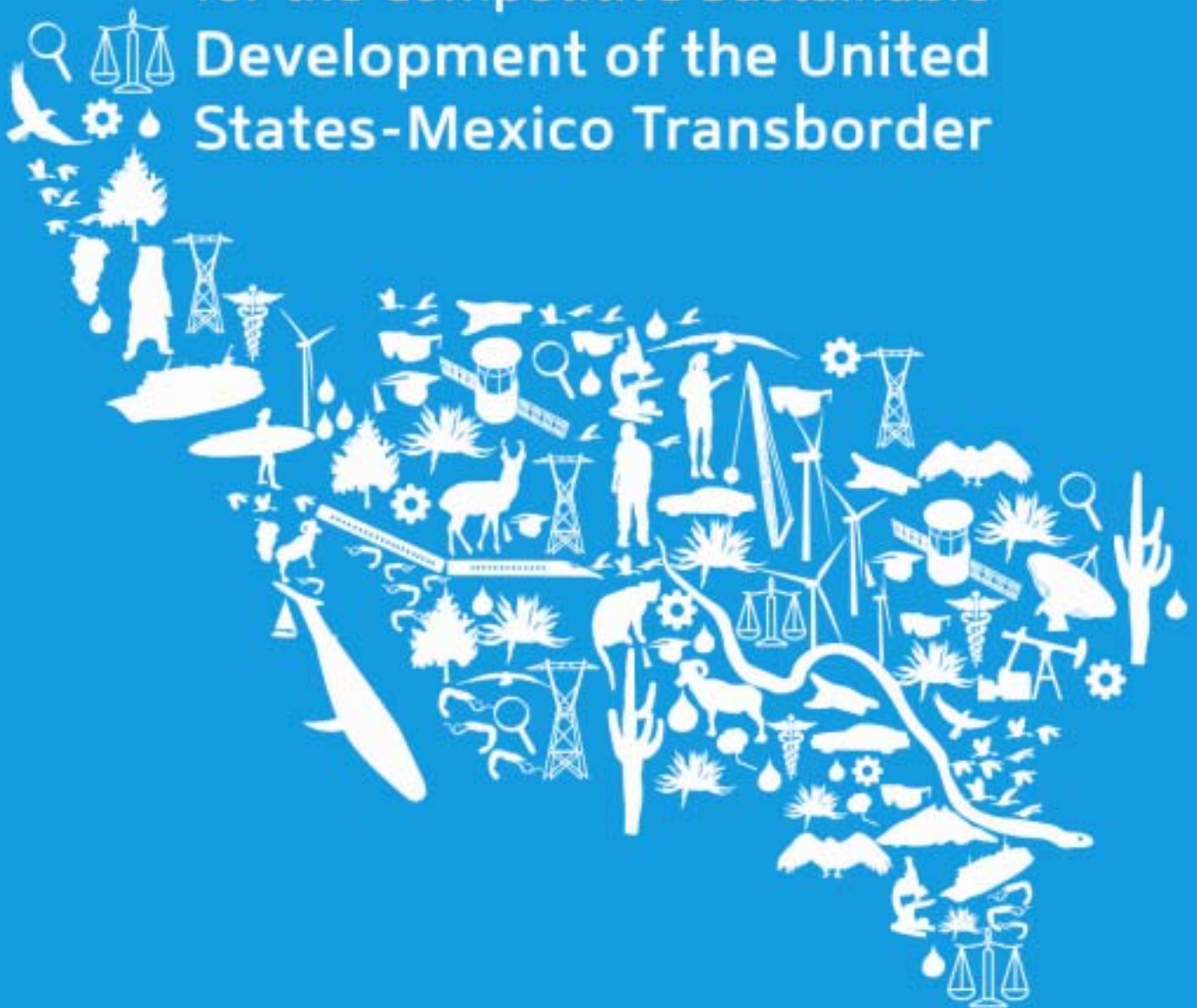


Border Governors Conference  
Conferencia de Gobernadores Fronterizos



XVI CONFERENCE OF GOVERNORS  
MONTERREY 2009

# Strategic Guidelines for the Competitive Sustainable Development of the United States-Mexico Transborder



September 2009



El Colegio  
de la Frontera  
Norte



Woodrow Wilson  
International  
Center  
for Scholars



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Presentation (*José Natividad Gonzalez Parás*)

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Strategic Guidelines for the  
Competitive and Sustainable Development  
of the U.S.-Mexico  
Transborder Region

(NON BINDING DOCUMENT)

September, 2009

# Presentation

*José Natividad González Parás*  
*The Governor of Nuevo León*

The XXVI Border Governors Conference (BGC), held in August 2008 in Hollywood, California, resolved to proceed with developing a Master Plan for Competitive and Sustainable Development in the U.S.-Mexico Border Region. It would be presented to the XXVII Conference, held in Monterey, Nuevo León, in September 2009.

Based on the BGC's traditions and guidelines, we immediately began to prepare the terms of reference that would be the basis for developing the Plan. During the first preparatory meeting for the XXVII Conference, representatives from the Border Governors approved those terms. To assist the Conference Secretary with the technical aspects of preparing the Plan, we invited a distinguished academic institution from each country: El Colegio de la Frontera Norte in Mexico and the Woodrow Wilson Center in the United States.

The terms of reference set some basic guidelines for the Plan's structure:

1. Take the Conference's joint declarations from the last 10 meetings as a departure point.
2. Include basic issues of borderlands competitiveness that were raised in the XXV BGC, held in Puerto Peñasco, Sonora.
3. Include recommendations and proposals from the XXVI BGC, held in Hollywood, California, on sustainability and green and alternative energies in the transborder region.
4. Analyze and incorporate the most outstanding existing studies, plans, programs, and projects on the topics included in the guidelines for developing the Plan.

5. Continuously interact with the members of the Governors' Council of Representatives during the four meetings in preparation for the Conference.
6. Adopt a methodology that would enable the drafters to bring together the opinions, views, and proposals of a large number of decision-makers, experts, public officials, researchers, and academic at institutions in the region, with the goal of building consensus on the issues considered in the Plan.
7. In the consensus-building consultation, include all the governors' representatives and the co-presidents of the conference's 13 working tables.

All the guidelines were addressed in a timely manner, and consequently, a Plan was drafted based on the views and opinions of a broad array of people in the region who are interested in and involved with both the issues of the borderlands and constructing medium- and long-term visions for its future.

Finally, the draft of the Master Plan was sent to all of the member states with the goal of getting feedback from the governors themselves in order to prepare the final preliminary version that would be presented to the XXVII BGC plenum in Monterey.

The draft Plan is based on four strategic axes, which serve as vectors for guiding the transborder region toward greater progress with a higher level of global competitiveness, environmental sustainability, border and citizen security, and social equity.

The Plan's drafters approached the challenge of competitiveness from the perspective of developing highly efficient logistical corridors (including new-generation border crossings); promoting and establishing a knowledge-based and innovative economy and society throughout the region; raising the educational quality of the transborder workforce that is employed in the unified labor market; competitive collaboration to take advantage of the set of comparative advantages and collaborative development of competitive advantage; the creation of productive and innovative networks of companies, entrepreneurs, innovators, academic institutions and scientific and technological research centers, and business, civic, and social organizations.

Environmental sustainability is based on collaboration focused on shared ecosystems and a sustainable-energy economy and culture; on a new economics and culture of water, based on the generalized awareness of its scarcity throughout the region; on raising awareness about the gravity of the environmental crisis and that we are nearly at a point of no return regarding the planet's atmosphere.

The drafters approached security as a shared need and issue that demands never-before-seen institutional efforts, based on concerted collaboration and cooperation.

Social equity is based on quality education for all and on fostering a transborder labor market that takes advantage of all its shared potential by creating a sufficient number of well-paying jobs.

The Plan contains an innovation regarding space: Rather than limiting itself to the area around the international line and its numerous cities, the Plan expands its scope to a strip that is 300 km wide on the south side of the border and 100 km on the north. Thus, in addition to the full territory of the 10 member states, the Plan contemplates a transborder region that is 2.68 million km<sup>2</sup> in size, with a population of 84.7 million inhabitants, and a combined GDP of US\$3.3 billion, equivalent to third-largest national economy in the world.

These are the elements that informed the process of drafting the Master Plan that is now being submitted for the consideration of the governors who will be meeting during the XXVII BGC. We present this Plan in the hope that, when adopted, it may serve as a roadmap for the BGC's future actions and for its relationship with the two countries' federal governments, as well as providing guidelines for citizens and organizations in the Mexico-U.S. border region.

# Executive summary

The *Strategic Guidelines for the Competitive and Sustainable Development of the U.S.-Mexico Transborder Region* is an initiative of the Border Governors Conference. It proposes and outlines in detail an ambitious development strategy for the U.S.-Mexico border region through 2030. It is non-binding for participant border states and its purpose is to serve as a mechanism for cooperation and coordination in the transborder region. To develop the Strategic Guidelines contained herein, prominent experts from academia and government were convened to assess current trends, visualize future scenarios, and identify actions and mechanisms for enhancing the competitiveness, sustainability, security, and quality of life of the region. Additionally, the development of these guidelines was made possible through an extensive consultation with a diverse group of U.S. and Mexican stakeholders who participated as respondents in a two-step survey to assess the principal needs, challenges, and hopes of the transborder region. This process enabled the report preparers to learn the latest views of those decision-makers in government and academia who are closely involved in setting and implementing some of the short- and medium-term public policy goals that are important to border-region residents. In preparing this report, in-depth interviews, focus groups, and panels were also convened and conducted to obtain a state-of-the-art understanding of border policies and policymaking in the principal areas of competitiveness, sustainability, security, and quality of life.

This report develops a unifying vision for the region centered on the following actionable principles:

- The transborder region will be a space where innovation, knowledge, entrepreneurialism, and synergistic cooperation will engender a competitive economy, both regionally and globally.
- The transborder region will be home to sustainable economies and societies that are committed to protecting biodiversity and nature, that are also committed to applying green technologies toward the efficient generation and use of energy and water, and that are dedicated to the building of increasingly sustainable cities.
- The transborder region will be a secure place for residents, businesses, and visitors as a result of a coordinated effort between Mexico and the United States to fight crime and to protect the people living in the region.

- The transborder region will be a place of opportunity where residents will have access to more and better education, healthcare, and housing.

These Strategic Guidelines forge a 2030 vision that foresees *a transborder region whose people and governments are willing to advance these goals in the medium and long term. An overarching goal is the alignment of the views, plans, strategies, and actions of governments at the municipal, county, tribal, state, and federal levels in order to achieve a prosperous, secure, clean, healthy, and competitive region capable of generating world-class development and continued progress, while maintaining the independence of the two nations.*

This vision forms the foundation of a policy framework that is organized around the following strategies and recommendations:

1. **Focus systematically on the logistical efficiency of the region, consolidating cross-border urban and logistics corridors through the construction of essential infrastructure and by enhancing bilateral coordination at international ports of entry.** To accomplish this, it is of vital importance that both countries:
  - a. *Create a permanent binational task force to develop and maintain an ongoing assessment of infrastructure needs aimed at increasing the region's logistical efficiency.* The task force should include key federal, state, tribal, county, and municipal government agencies and state and federal legislators, along with business associations and civic organizations. This task force would commission a comprehensive study of future needs and assess the options for financing; building; and staffing integrated logistics corridors, including border ports of entry; balancing commercial crossing points outside cities with noncommercial urban crossing points; and linking these to logistics and transportation corridors in both countries.
  - b. *Promote the consolidation of highly efficient, state-of-the-art logistics corridors* between states and across the border by developing inland ports, logistics parks, and through the installation of Intelligent Transportation Systems (ITSs), in order to ensure maximum visibility and traceability along main routes.
  - c. *Promote cross-border railroad transit*, where appropriate, as an efficient and secure means for the movement of goods and as a lower-emissions alternative to trucking.
  - d. *Review staffing levels and inspection procedures* at border-crossing points, to reduce motorist wait times and to enhance security. Increase use of nonintrusive inspection technologies on both sides of the border and place these issues within the scope of work of the aforementioned task force.



3. **Reorganize and expand the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) to enable them to provide new sources of technical assistance and financing in new areas of investment.** By expanding their operations and activities, BECC and NADB can fulfill their potential and help to generate investments in other areas of infrastructure development. Together, BECC and NADB can broaden the set of environmental criteria that are used for assessing the environmental benefits of proposed projects, thus ensuring they do not lose sight of their environmental mission. Additionally, NADB should consider partnering with the Inter-American Development Bank (IDB), the World Bank, and the International Finance Corporation to finance a broad range of regional infrastructure needs, such as those ports of entry, railroads, roads, and bridges that are essential to the development of economic corridors.
4. **Apply a binational and integrated approach to energy development that emphasizes the role of renewable energy sources and emphasizes energy efficiency.** Greater interest throughout the region on renewable energy investment, as well as the development of recent partnerships for cross-border energy provision and delivery, calls for:
  - a. *Ensuring an equitable distribution of the environmental costs and the overall benefits of the management of energy resources in the region.*
  - b. *Creating a geo-referenced database of renewable energy resources and adopting those best practices that ensure the optimal management of energy demand, especially that of industrial and other high-volume users.*
  - c. *Devising a regional action plan fundamentally informed by U.S. and Mexican federal environmental authorities and their inventories of greenhouse gases (GHG) in order to improve energy efficiency, reduce emission levels, and spotlight the potential for savings in key sectors such as transportation and housing.*
5. **Update the institutional framework for environmental cooperation in order to generate binational solutions to shared environmental challenges.** To accomplish this, BECC should:
  - a. *Develop an integrated binational data system that would include spatially referenced information.* Currently, too many decisions are based on partial or inconsistent data, so regional guidelines based on national data protocols are urgently needed.
  - b. *Develop and apply a Transboundary Environmental Impact Assessment methodology.* This resource could build on previous efforts, such as that of the Commission for Environmental Cooperation of North America (CEC).
  - c. *Develop cross-border mechanisms to mitigate environmental impacts that originate in one country but also impact the other.*

- d. Provide representation to the U.S. Department of Interior on the Border Environment Cooperation Commission so that BECC can better address those issues of resource depletion that are so pressing along the border today.*
6. **Promote integrated water management along the U.S.-Mexico border.** *Include within the locus of discussion for managing international rivers the development of regional bodies that can act as watershed councils and as formal advisory boards.* These regional bodies should involve federal and state authorities, as well as include representation from civil society from both sides of the border, in order to ensure a more proper and comprehensive representation of interests, such as from the environmental and agricultural sectors, as well as from municipal, county, and tribal governments.
7. **Create adequate infrastructure for managing municipal and hazardous waste.** On both sides of the border, community public safety and public health can be threatened by the dangerous accumulation of municipal and hazardous waste and by the improper dumping of scrap tires and other spare machinery and auto parts. Greater binational cooperation is required to track, control, and reduce hazardous, toxic, and electronic waste (E-Waste) with its contaminants that include mercury, cadmium, and lead. Greater binational cooperation is also required to develop recycling technologies on both sides of the border.
8. **Make municipal and agricultural water usage more efficient and improve wastewater treatment and reuse.** Improving water efficiency on farms and in cities is necessary to alleviate pressure on regional water resources. The Border Environmental Infrastructure Fund (BEIF) should be allowed to return to previously higher levels of funding, and incentives should be developed to encourage private investment to create new and to upgrade existing capacities for wastewater treatment, as well as for increasing the supply of drinking water. The BEIF should introduce greater incentives to encourage the safe and widespread reuse and recycling of wastewater, graywater, and stormwater. By tapping into the hidden resource of “used water,” the Border Governors can reduce the strain on existing water supplies, keeping more fresh water in streams, rivers, and underground and thus helping to sustain ecosystems and to meet community needs into the future.
9. **Fight crime under a paradigm of mutual responsibility.** As violence by organized crime has increased and raised concerns about cross-border “spillover,” it has become clear that:
- a. Greater trust and professional interaction between U.S. and Mexican law enforcement agents and agencies can help to foster the conditions necessary for enhanced and effective cooperation, coordination, and collaboration and can help to better identify the resources needed to improve crime-fighting capabilities in Mexico.*
- b. Existing mechanisms of binational security cooperation, such as Border Enforcement Security Taskforces (BESTs) and Border Liaison Mechanisms (BLMs),*

*may provide platforms for enhanced collaboration, coordination, and cooperation in the future.*

- c. U.S. national security interests and related enforcement actions and operations should be undertaken in ways that dovetail when possible with the public safety concerns of border communities. Merging goals can create benefits at both the national and at the community levels. Federal investigations and operations against contraband trafficking can combine with community efforts to eliminate neighborhood drug dealing and the scourge posed by organized crime in border communities.*
- d. Provide anonymous bilingual hotlines to connect border residents and local police and enable the sharing of confidential information among local, state, and federal investigators.*
- e. Advance efforts to professionalize local and state law enforcement agencies in Mexico and work to create a professional civil service and promotions structure. Encourage the pursuit of professional accreditation by international law enforcement bodies as a means to improve operations and standards.*

**10. Improve regional healthcare and create competitive medical clusters serving both sides of the border.** *Competitiveness and quality of life in the region will improve substantially by:*

- a. Expanding access to essential healthcare services. Related efforts can help win the struggle against high rates of asthma, tuberculosis, hepatitis, diabetes, and other diseases, many of which disproportionately afflict border-region residents.*
- b. Evaluating possible mechanisms for the cross-border portability of U.S. health insurance, specifically regarding the possibility of a demonstration program for Medicare coverage for U.S. citizens living in Mexico.*
- c. Establishing partnerships involving medical and nursing schools, hospitals, and senior-care facilities, while looking for new sources of investment to improve the region's healthcare infrastructure. The adoption and spread throughout the region of telemedicine systems, which enable enhanced and expanded medical-services provision to remote rural communities through telephone and Internet technologies, represents another important step toward the improvement of healthcare in the border region.*
- d. Define the proper protocol for timely information-sharing in cases of infectious disease outbreaks, and establish measures of cooperation for preventive action and immediate response.*

An important goal of this Border Governors Conference is to successfully build on past efforts and to sustain and lend continuity to earlier achievements. It is in that spirit that these Strategic Guidelines advance initiatives endorsed in prior conferences, particularly the

conferences, *Competitiveness without Borders* (Sonora, XXV BGC, 2007) and *Building Green Economies* (California, XXVI BGC, 2008). Similarly, it is hoped that the Strategic Guidelines presented here will constitute a roadmap to guide the activities and objectives of future conferences. Additionally, as these guidelines represent state-level perspectives, it is hoped that they will serve as useful references for federal-level authorities in their deliberations on policymaking that affects the transborder region and the cross-border relationship.

# Chapter 1

## Introduction

### 1.1. The U.S.-Mexico Transborder Region

The U.S.-Mexico transborder region is the central piece of a binational system based on strong social, economic, and environmental connections. It is also the continental gateway for the emerging North American economic area encompassing Canada, Mexico and the United States. Extending for more than 3,141 kilometers (1,952 miles), the U.S.-Mexico international boundary joins four U.S. and six Mexican states that together make up a territory of 2,678,569 square kilometers. The region is home to 83 million people, shelters the activity of hundreds of thousands of business, and is the setting for unique waterways and ecosystems. Viewed from a distance, one can imagine the multiple jurisdictions along the U.S.-Mexico border as a single transborder region through which a critical network of people, infrastructure, goods, ideas, and the environment connects South and North.

Indeed, a defining characteristic of the U.S.-Mexico transborder region is the intense and diverse web of interactions that connect people, nature, and the economy, creating a unique and highly interdependent space. The most important dimensions of these interactions include:

- *Trade flows:* Together, the 10 U.S.-Mexico Border States account for a large share of the intra-NAFTA exports, as well as exports to the rest of the world. In 2008, 13,300 trucks crossed the border daily, up 70% from 1995, the year after the enactment of the North American Free Trade Agreement (NAFTA). Cross-border land trade (rail, truck, and pipelines) between the United States and Mexico totaled just over US\$293 billion in 2008, more than three times the US\$97 billion in cross-border trade recorded in 1995.<sup>i</sup>
- *Transborder clusters:* The high concentration of firms in strategic manufacturing and service sectors has created within the region clusters of highly interconnected businesses. These transborder clusters are magnets for workers with specialized skills and knowledge, and they stimulate the productivity, innovation and creation of new businesses in the region. An example is the aerospace industry, which in Mexico numbers 160 companies, most located within the transborder region. The region's

long experience with auto manufacturing and the infrastructure and labor force that have developed around *maquiladoras* attracted these mostly U.S. aerospace firms. Often, transborder clusters are woven together by *corridors formed around regional institutions of higher education*, technological institutes, and research centers, which offer a high potential for shared interaction and creative innovation.

- *The urban hubs*: Along the U.S.-Mexico border, sister-city complexes, such as San Diego–Tijuana, Laredo–Nuevo Laredo, El Paso–Ciudad Juárez, and Douglas–Agua Prieta, as well as transborder metropolitan corridors like the Monterrey–San Antonio–Houston–Dallas corridor are at the forefront of crossborder interactions. They function as unified entities despite the division imposed by the international boundary and are the locus for extraordinary economic and human interaction. In 2008, almost 206 million people crossed the border through the 25 land ports of entry along the international boundary.
- *Tourism flows*: A substantial number of people crossing the border in any single day are tourists attracted by the services and amenities offered by the regional hospitality industry. In 2007, almost 72.4 million international travelers visited Mexican border cities, generating jobs and income for both sides of the border as many of them came from out of the region.<sup>ii</sup>
- *The maquiladora connection*: Mexican border states account for more than 76% of all *maquiladora* employment in Mexico. The growth of the industry has created many jobs in Mexico, and maquiladoras have yielded large income gains in U.S. border states. The *maquiladora* companies' production expenditures, direct payroll, and the transborder spillover of salaries paid to Mexican workers, who make purchases in the United States, fuel regional growth. The transformation of this industrial base into a dynamic and innovative engine offers additional opportunities for growth.
- *The ecological link*: Rivers, deserts, forests, rangelands, and coastal ecosystems constitute sensitive and invaluable landscapes that provide critical ecological services and natural resources on both sides of the border. These ecological services are critical to sustaining life, quality of life, and economic opportunities in the transborder region.
- *The demographic confluence*: Within the transborder region, population changes rapidly and at different paces along the border. Demographic differences within the region create formidable social and economic challenges. Yet they also provide opportunities for the enhancement of new and unrealized connections. Efforts to

improve regional human capital development, as well as to improve the more orderly and legal exchange of labor force between the two nations, could make these connections possible.

- *A shared heritage:* In 2007, the percentage of Latinos in U.S. border states ranged from 29.6% of the total population in Arizona to 44.4% of the total population in New Mexico. These levels suggest the foundation for a unique border culture and regional identity.
- *Social partnerships:* A tradition of cross-border collaboration has strengthened networks and relationships between U.S. and Mexican government agencies, community groups, and businesses, helping to facilitate the exchange of information when appropriate and beneficial.

Such interactions are observable with varying intensities across a range of scales, from the local, at a micro-level, up to a much larger interregional and international level.

At the local scale, a first definition of the border zone emerges, one that encompasses *an area comprising the 39 municipalities and 25 counties that lie along the international boundary*. This narrow strip is the locus of a high degree of civic, social, administrative, and economic interaction. It is the focus of many security efforts directed at migrants, guns, drugs, and terrorists. It is the point where NAFTA trade becomes “North American,” and where Mexico’s border export industries and U.S. logistics, warehousing, and transportation industries connect. Here, too local public health, social services, and public security agencies are forced to develop mechanisms of cross-border cooperation in order to protect the interests of their clients and citizens.

Encompassing the counties and municipalities that touch the border, a second definition of the border region is provided by the La Paz Agreement, which defines the region as a strip 100 kilometers deep on both sides of the international line. The *North American Development Bank (NADB) and the Border Environment Cooperation Commission (BECC)* expanded this definition to encompass a 300-kilometer swath in Mexico, while retaining the 100-kilometer limit in the United States. On the U.S. side, policymakers felt that it was necessary to limit the size of the region to ensure appropriate focus, attention, and funding on those areas that most need environmental improvement, enhanced quality of life, and increased economic viability. This definition is primarily a legal one, established to set the geographic limits for the grants and loans, but it also reflects the geographic contours of the region’s watersheds, air basins, shared natural resources, and transborder environmental

impacts. For purposes of environmental analysis and understanding, it is generally considered superior to the first definition.

A third definition is one that fundamentally defines the Border Governors Conference. Despite the independence of the two nations, the six Mexican states and the four U.S. states that lie on the international boundary form a true transborder region, sharing many common challenges and concerns. Shared issues involve transportation, logistics, energy, water, public services, and socio-economic development, among others. Administrative systems are not the same in Mexico as they are in the United States, and the two countries' federal systems differ significantly regarding the autonomy granted local and state governments. Nevertheless, a prosperous, highly functioning border region is in the interest of all 10 states, and it is not viable for the state governments to defer border-related matters to their respective federal or municipal governments.

**Figure 1: The U.S.-Mexico Transborder Region**



Providing regional platforms for innovation, entrepreneurialism, trade, and global engagement, major transborder corridors traverse the region and are anchored by populous metropolitan areas. An example of one such corridor is the *Knowledge Corridor*, connecting the Monterrey metropolitan area in the state of Nuevo León with the metropolitan areas of

San Antonio, Houston and Dallas in Texas. The *Sun Corridor*, connecting the metro areas of Phoenix, Tucson, and Nogales in Arizona with Nogales, Hermosillo, and Obregón in Sonora, is an emerging transborder corridor. These and other corridors tend to consolidate linear urban systems that already have highly interconnected businesses and knowledge centers. From a regional perspective, corridors provide another understanding of the transborder region, as they represent the centers of intense and dynamic exchange between Mexico and the United States.

No matter which definition is used, the transborder region is central to U.S.-Mexico relations. There are three major reasons why an efficient, highly functioning border is key to U.S.-Mexico relations. First, border states' economies have been among the most dynamic and fastest-growing of both countries. Second, the border is the point of entry for the vast bulk of merchandise trade. Third, a surprisingly large share of Mexico-U.S. interaction occurs in the transborder region. Though each of these points is important in itself, taken together they emphasize the fact that a healthy border region serves both U.S. and Mexican national interests. Additionally, these points suggest that improved U.S.-Mexico relations are possible through the promotion of more productive and prosperous economies on both sides of the border.

## 1.2. Purpose of the Strategic Guidelines

Looking at the transborder region from a broader perspective makes many things clear. It highlights the development potential of the region and its key role in current and future efforts to create an integrated economy in North America through promotion and market mechanisms. It also shows the complexity and challenges that come with population and economic growth in a context of asymmetrical development and dissimilar institutions. Finally, it emphasizes the need to coordinate and cooperate to maximize the benefits and minimize the costs of close proximity.

To successfully tap the region's development potential, while simultaneously addressing existing social and institutional challenges, there must first be developed a widely shared vision for the future and a clear understanding of what must be done to achieve that vision. Without a vision and a strategy for making this happen, the positive aspects of the border region, such as economic comparative advantages, shared heritage, and diversity—can be overwhelmed by the negative aspects of dissimilar institutions and uneven development. Even worse, without a strong commitment to long-term policies, disparities will simply deepen and become sources of continuous problems and tensions.

Acknowledging the importance of proactive thinking and long-term action, the Border Governors Conference (BGC) commissioned El Colegio de la Frontera Norte (COLEF) and the Woodrow Wilson Center to identify the elements for a vision of the transborder region for the year 2030 based on the principles of regional competitiveness, social and environmental sustainability, and security. The task also included the identification of the tools needed to establish an actionable policy framework based on the premises of cross-border collaboration and mutual benefit. The *Strategic Guidelines for a Competitive and Sustainable U.S.-Mexico Transborder Region* is the result of this mission.

The Strategic Guidelines build on a strong history of cross-border collaboration among the border states that began in 1981 with the joint declarations of the Border Governors Conference and that culminated with the Strategic Regional Vision of 2007. These documents laid the groundwork for these Strategic Guidelines and for their approach to long-term development and policy implementation. However, these Strategic Guidelines are not an end in themselves. They represent a tool centered on the development of partnerships built around strategic areas and based on realistic regional policies that deal effectively with the realities of the U.S.-Mexico transborder region. These partnerships require the engagement of all the region's stakeholders, in accordance with the cross-cutting and multi-scale nature of the issues faced by the region.

The core objective of the Strategic Guidelines, therefore, is to provide a general framework and specific policy actions in accordance with mutually agreed upon regional development goals. The scope of the Strategic Guidelines includes the four spatial scales commented above: the totality of the 10-state transborder region, the cross-border metropolitan corridors, the planning area defined by the NADB and BECC, and the strip formed by the municipalities adjacent to the international border.

### 1.3. Methodology

The process of formulating the Strategic Guidelines for the U.S.-Mexico transborder region was designed as a multipronged and participatory experience. The planning team was committed to having all sectors and stakeholders on both sides of the border participate and contribute to the creation of a plan that defines the 2030 vision and the strategies that the region's governments, businesses, and communities could embrace for the coming 20 years.

The major activities in developing the plan, most of which ran parallel to each other, included commissioned policy papers drawing on the knowledge and perspective of border scholars, focus groups and workshops involving public officers and specialists, in-depth

interviews with practitioners and specialists, compilation and review of existing plans and documents, and analysis of existing statistical data. A central instrument for the planning process was the implementation of a Delphi survey to tap the experience of people in charge of day-to-day decision-making on both sides of the border and to explore their views and aspirations. The Delphi Survey had two sequential questionnaires interspersed with controlled opinion feedback from three panels of anonymous policymakers and leaders in the areas of competitiveness, sustainability, quality of life, and security. Rather than a mere tool for data collection, the Delphi method was a device for group communication and consensus-building among the region’s citizens, community leaders and businesspeople.

The matrix below summarizes the technical team’s major activities.

| <i>Steps</i>                 | <i>Tools</i>  |               |              |              |                     |                      |
|------------------------------|---------------|---------------|--------------|--------------|---------------------|----------------------|
|                              | Delphi Survey | Policy Papers | Plan Reviews | Focus Groups | In depth Interviews | Statistical Analysis |
| Situation Analysis           | •             | •             | •            | •            | •                   | •                    |
| Vision 2030                  | •             |               |              |              | •                   |                      |
| Challenges and Opportunities | •             | •             |              | •            | •                   |                      |
| Strategies                   | •             | •             | •            |              | •                   |                      |

The research has culminated in more than a written plan. The research process has led to the development of a roadmap and to the creation of a set of strategic guidelines designed to strengthen the competitiveness, sustainability, security, and livability of the U.S.-Mexico border region. We are convinced that this mechanism is fully capable of adapting to any changes while still pursuing the vision of a more integrated and cooperative binational region. The analysis, vision, challenges, and strategies resulting from the extensive planning process are discussed in detail below.

#### 1.4. Organization of this document

This document is an abridged version of a larger planning report. It begins by reviewing the recent evolution of the transborder region with a focus on the interactions and exchanges that occur in the region due to the dynamic of its population, economy, and shared environment. The elaboration of the document was based on the premise that despite differences in political regimes, culture, language, economic development and worldviews, the territories of the United States and Mexico that make up the transborder area constitute a

functional region of increasing interdependency. In that respect, the document also provides a preview of the shared future that this region is capable of building for itself, an image we refer to as 2030 Vision. Far from a utopia, this 2030 Vision is grounded in elements already present and that will inevitably act in the long run to define the region's competitiveness and sustainability as well as its level of security and quality of life.

In Chapter 4, we outline the strategies for catapulting the region to its new horizon. We base the strategies on the recognition that the region faces challenges while also having great potential. The comparative advantages inherent in a diverse setting need to surface, and new rules of engagement across the border should provide the bases needed for greater collaboration. Strategies, such as cross-border public-private partnerships, can pave the way for security, sustainability, and competitiveness to become the natural outgrowth of local strengths and capacities reaching their potential.

The final chapter reviews the mechanisms and institutions that can and must take part in implementing the recommended strategies and actions. It also discusses how to maintain oversight of the Strategic Guidelines. The Border Governors Conference itself has adapted from a working format of 13 down to four worktables, reflecting a new and more focused structure that is better-suited to promote progress in the strategic areas. What follows is not a final product but the beginning of a process in which public discussion and participation will determine the future direction of the common U.S.-Mexico transborder region.

## Chapter 2

# The U.S.-Mexico Transborder Region: A Dynamic And Increasingly Interrelated Region

### 2.1. Territory

The international border between Mexico and the United States draws an imaginary line that extends approximately 3,141 kilometers from the Pacific Ocean to the Gulf of Mexico. The territory adjacent to both sides of this imaginary line is, in a broader sense, what constitutes the U.S.-Mexico border area and has remained unchanged since its political demarcation in 1853 after the Gadsden Purchase.

In general, the border territory has an arid climate with limited water resources. In the western and central portion of the region, the most prominent physiographic provinces are the Sonoran and Chihuahuan deserts, where precipitation ranges from 3 to 12 inches (75 to 300 millimeters) annually. Rainfall occurs mostly during the winter and in July and August. Temperature in the summer can exceed 120°F (48.5° C) in some portions of the Lower Colorado River Valley.<sup>iii</sup> The deserts have few intermittent streams and very few rivers, most of which originate in distant mountainous areas. The coastal zones on both edges of the border offer a contrasting environment, with less-extreme temperature changes and a relatively higher level of precipitation.

Due to its vastness the U.S.-Mexico border region encompasses an important wealth of natural resources and diverse ecosystems. Freshwater, marine, and wetland ecosystems, deserts, rangelands, and several forest types constitute sensitive and invaluable natural features. For example, the Chihuahuan Desert supports 350 of the 1,500 known species of cacti in the world.<sup>iv</sup> Many of these species are found only in single valleys. In the western region, the Sonoran Desert has the greatest diversity of vegetation of any desert in the world.<sup>v</sup> A prominent feature of the Chihuahuan and Sonoran deserts is the occurrence of mountain ranges separated by extended valleys. These ranges provide habitats not present in

the valleys and host species that contribute to the biodiversity of the border territory.<sup>vi</sup> Urban settlements, along with agriculture and cattle ranches, generally occupy the valleys.

Big waterways, like the Rio Grande or the Colorado River, traverse the international border and support millions of people in large cities and rural towns. The Rio Grande or Río Bravo, as it is known in Mexico, flows through five Mexican states and three U.S. states, and a dozen Native American nations rely on it for irrigation. From the headwaters above the tree line in the Rocky Mountains, through the semi-arid Colorado Plateau and the arid Chihuahuan Desert, to its final subtropical ending in the Gulf of Mexico, the Rio Grande sustains a diversity of critical ecosystems and is crucial for wildlife, including animals as diverse as beavers, bears, kangaroo rats, and migratory birds. The Colorado River also sustains a very biodiverse region encompassing six U.S. states and two Mexican states. The ecosystems along the Colorado are facing unprecedented pressure from economic activities in the region. The ecosystem's water needs are rarely considered as agricultural production, industry, and a rapidly growing urban population use all but a trickle of the river's water.

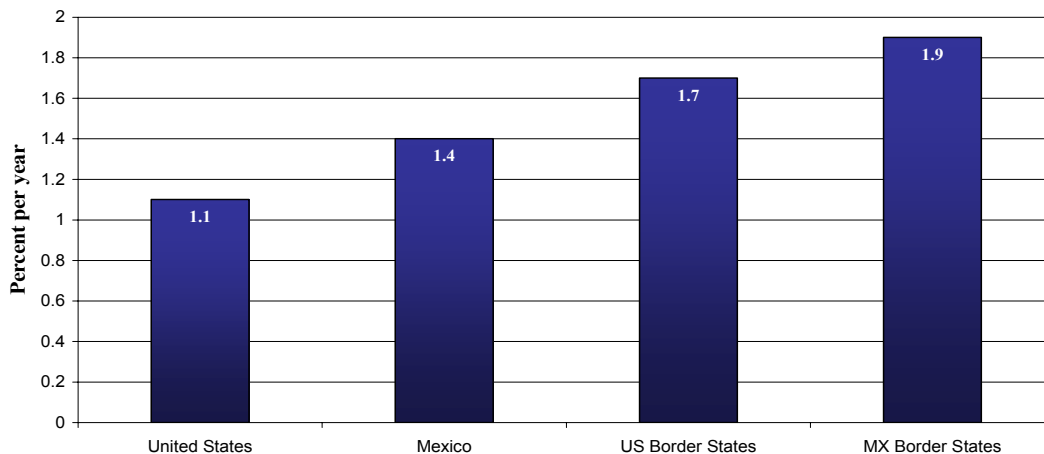
The Gulf of Mexico supports productive fisheries, which are largely dependent on the estuaries, lagoons, wetlands and freshwater inflows from the Rio Grande. The coastal habitats at the mouth of the Rio Grande are particularly important as breeding grounds and maturation areas for commercial fisheries in the Gulf of Mexico.<sup>vii</sup> In the Pacific coastal area, a saltwater lagoon and slough mark the seaward end of the Tijuana River within the Tijuana River National Estuarine Research Reserve (TRNERR). Established in 1982 to restore and preserve the integrity of the estuary as a functioning ecosystem supporting a diversity of fish and wildlife resources, this protected area encompasses 2,500 acres of beach, dune, mudflat, saltmarsh, riparian, coastal sage, and upland habitats.<sup>viii</sup> The reserve is home to eight threatened and endangered species, including the light-footed clapper rail and the California least tern among others.<sup>ix</sup>

## 2.2. Population change

The population in the transborder region is an increasing share of the national total population for both the United States and Mexico. Mexico's municipalities that directly touch the border have caught up to their U.S. counterparts and, as a result, the border population of each side is roughly the same if one uses the county/municipality definition. At the state level, the U.S. side remains much larger due to the fact that California and Texas are the two most populous U.S. states. Nevertheless, Coahuila, Nuevo León, and Sonora are also three of Mexico's most populous states.

Population growth in the border region has exceeded the national growth rates by a wide margin for several decades. The pattern shown in Figure 1 extends back to at least 1950 and has resulted in a growing relative importance for the border population in each country.

Figure 1: Population Growth in Border States, 1990-2005



Source: INEGI and U.S. Census Bureau.

In addition to population growth, border residents tend to be more heavily concentrated in urban areas. This is partly due to high rates of in-migration and to the two great deserts that span the border.<sup>x</sup> Migrants to the Mexican border tend to settle in cities where there are manufacturing and other jobs. Agriculture is an important economic activity for many migrants, and farms are key to many small transborder communities, but farming tends to be limited by the declining importance of this sector in the overall region's labor market.

Population growth creates demand for roads, water, waste treatment, schools, and other major infrastructure. This has posed an enormous challenge for governments at all levels. The figure of US\$8 billion is often cited as the amount that was needed for border environmental infrastructure immediately after the NAFTA treaty was signed in 1993.<sup>xi</sup> By the end of 2006, the NADB had allocated US\$1 billion and disbursed half of that.<sup>xii</sup> Problems of identifying issues, planning for their amelioration, and arranging funding require human-capital skills that were often lacking or were simply not directed to those tasks.

**Table 1: Border population, Projections 2010**

|                                     | <i>Border states</i>     | <i>Border counties or municipalities</i> |
|-------------------------------------|--------------------------|--|
| Baja California                     | 3,252,690                | 2,694,726                                |
| Sonora                              | 2,532,639                | 619,152                                  |
| Chihuahua                           | 3,422,047                | 1,497,910                                |
| Coahuila                            | 2,655,187                | 344,404                                  |
| Nuevo León                          | 4,502,035                | 17,544                                   |
| Tamaulipas                          | 3,230,307                | 1,744,681                                |
| <b><i>Mexican border states</i></b> | <b><i>19,594,905</i></b> | <b><i>6,918,417</i></b>                  |
| California                          | 39,135,676               | 3,389,381                                |
| Arizona                             | 6,999,810                | 1,485,780                                |
| New México                          | 2,162,331                | 250,113                                  |
| Texas                               | 25,373,947               | 2,461,260                                |
| <b><i>U.S. border states</i></b>    | <b><i>73,671,764</i></b> | <b><i>7,586,534</i></b>                  |

**Sources:** CONAPO, *Proyecciones de Población de México 2005-2030*; State of California, Department of Finance, *Population Projections for California and Its Counties 2000-2050*, Sacramento, California, July 2007; Arizona Department of Commerce, The Center for Economic Advancement, *Arizona Projections 2006-2055*; Bureau of Business and Economic Research, University of New Mexico, *New Mexico County Population Projections July 1, 2005 to July 1, 2035*, Released August 2008; Texas State Data Center, The University of Texas at San Antonio, *Texas Population Projections 2000-2040*.

Inadequate waste management and the lack of adequate infrastructure to accommodate rapid population growth have created some of the most serious environmental challenges in the region. Household runoff, untreated wastewater, and unpaved roads pollute surface waters and contaminate air basins with dust and other particulates. This in turn has generated much higher rates of hepatitis and respiratory problems among residents on both sides of the border compared to places in the interior of the two nations.

The border population's educational characteristics far below what is required to create a world-class and globally competitive economic region (table 2). Educational attainment in Mexico's border states and *municipios* are similar to levels of attainment nationwide, but far below OECD levels. In 1970, the United States was first in terms of the share of population that had completed high school; today it is in tenth place. According to the 2000 U.S. Census, all border states fall below the U.S. average in the share of population with a high school diploma, except Arizona, which was slightly higher. Additionally, U.S. border counties are below their state average, except for San Diego in California.

World-class economies require a high rate of high school completion. According to the OECD's *Education at a Glance 2008*, in terms of current graduation rates, the United States

falls in the bottom half of OECD countries, and Mexico’s current upper secondary completion rate is less than half the OECD percentage.

**Table 2: Share of Population 25+ with High School or Educación Media Superior, 2000**

|                 | <i>Border states</i> | <i>Border counties or municipalities</i> |
|-----------------|----------------------|--|
| Baja California | 0.32                 | 0.32                                     |
| Sonora          | 0.33                 | 0.29                                     |
| Chihuahua       | 0.27                 | 0.28                                     |
| Coahuila        | 0.33                 | 0.25                                     |
| Nuevo León      | 0.37                 | 0.19                                     |
| Tamaulipas      | 0.34                 | 0.31                                     |
| California      | 0.77                 | 0.82                                     |
| Arizona         | 0.81                 | 0.80                                     |
| New Mexico      | 0.79                 | 0.70                                     |
| Texas           | 0.76                 | 0.57                                     |

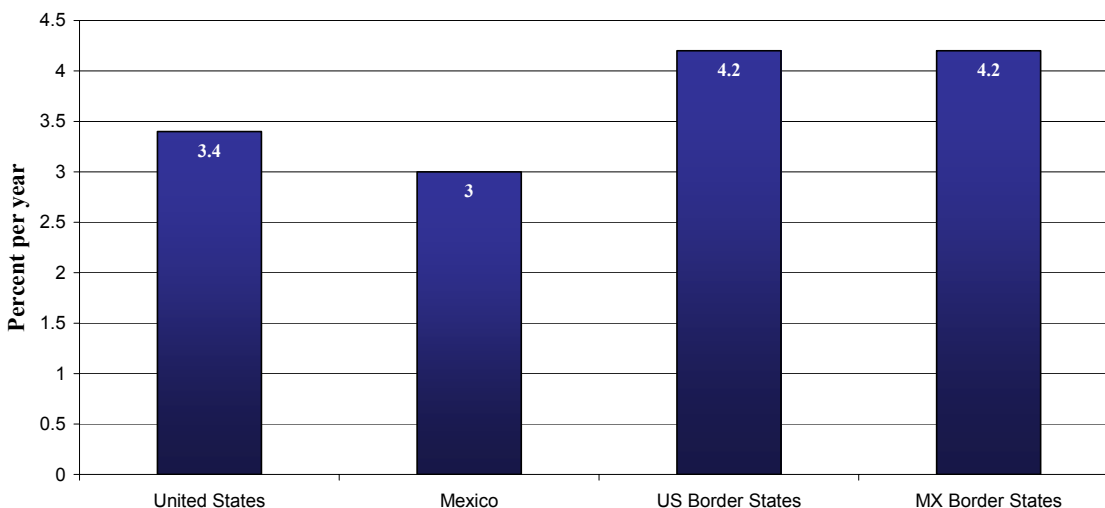
*Source:* Data for table from Joan B. Anderson and James Gerber, *Fifty Years of Change on the US-Mexico Border: Growth, Development, and Quality of Life*, Austin, TX: University of Texas Press, 2007.

## 2.3. Economic development

In both Mexico and the United States, border-state GDPs in 2006 were equivalent to approximately one-fourth of total national GDP (25% in Mexico, 23.7% in the United States). Combined border-state GDPs in 2006 were approximately US\$3.3 trillion. Only two nations in the world, Japan and the United States, exceed this amount.<sup>xiii</sup> The combined border states’ GDP is also greater than the GDPs of Germany, France, and the United Kingdom, and 25% greater than China’s.

The comparative advantages of the transborder region—with Mexican labor, land, and engineering skills, and U.S. science, research, and access to capital—have enabled the border region to become one of the most dynamic and rapidly growing areas in both nations. Mexico does not measure GDP for municipalities, but at the state level, its rates of growth have significantly outpaced Mexican national GDP growth. U.S. border states have also surpassed U.S. national rates over an extended period of time.

**Figure 2: Average Annual GDP Growth, 1993-2006**



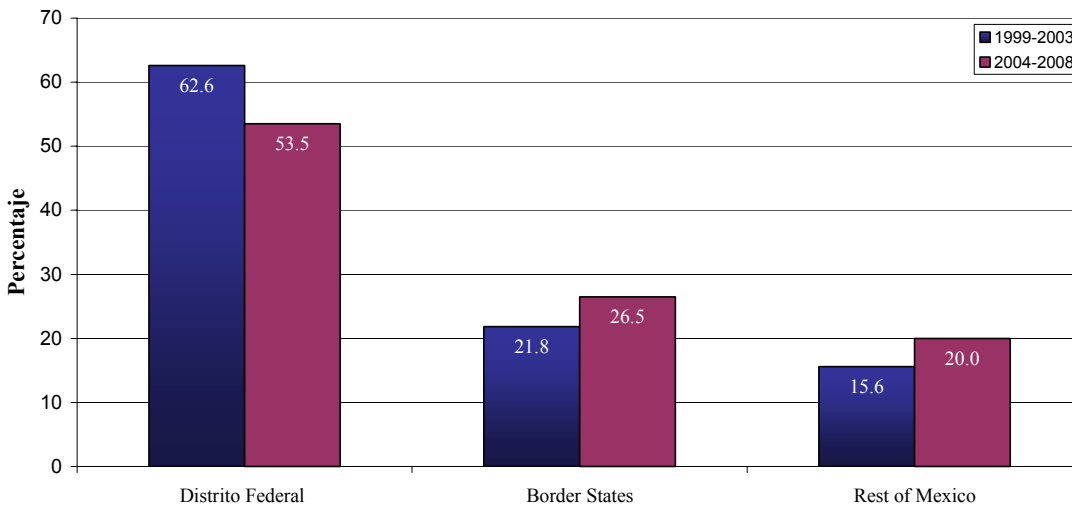
Source: INEGI, Banco de Información Económica and U.S. Department of Commerce, Bureau of Economic Analysis.

The differences between the border and the nation may look small in figure 2, but compounded over a decade or more, the differences are significant. For example, border-states GDP in both countries will double every 17 years, whereas Mexican GDP will require 23 years and U.S. GDP, 20. In part, border-states GDP has grown more rapidly because population has grown, leading to more workers and more output. However, even if the effect of population growth is taken into account, border states, counties, and municipalities grew faster than their national averages.

As the border region has absorbed significant inflows of migrants, it has increased its capacity to produce and has evolved into a fertile ground for investment, both domestic and foreign. The U.S. government does not track the destination of the foreign direct investment (FDI) it receives, but Mexico does. From 1999 to 2008, U.S. FDI in Mexico was 54.5% of Mexico's total FDI of approximately US\$218.7 billion. The majority of U.S. and non-U.S. FDI was destined to the national capital, the Federal District, at 57.6%, but border states received 24.3% of the total, or approximately US\$53.1 billion.<sup>xiv</sup> The larger share going to the border, rather than to other Mexican states, reflects the growing integration of U.S. and Mexican markets and the dynamism of the border states' economies.

U.S. FDI in the border region of Mexico is concentrated in three states: Baja California, Chihuahua, and Nuevo León. Each received slightly more than one-fourth of total U.S. investment in the transborder region, leaving less than one-fourth for the other three states of Coahuila, Sonora, and Tamaulipas.

**Figure 3: Share of inward FDI in Mexico, 1999-2008**

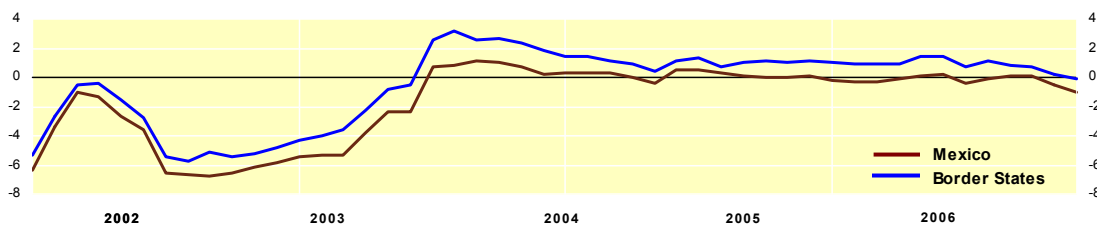


Source: Secretaría de Economía, Dirección de Inversión Extranjera.

Patterns of trade between the United States and Mexico reflect the degree of integration in the transborder region and its overall importance to both countries. In 2008, the four U.S. border states were responsible for 58.8% (US\$88.854 billion) of U.S. merchandise goods exported to Mexico. Texas was the leading state, with 41% of total merchandise exports, followed by California with 13.5%, and Arizona with 3.9%.<sup>xv</sup> (Exports from New Mexico represented 0.25% of the total.) As Mexico's manufacturing sector expanded, U.S. logistics, transportation, and warehousing grew to accommodate it. Through the 1990s in particular, U.S. manufacturing migrated south into Texas in order to be closer to growing supply networks along Mexico's northern border. Historically, California's location on the Pacific Rim and its long coastline have oriented its economy toward Asia more than to Mexico, but over the past two decades this tendency has shifted, and Mexico has become the leading market for California's goods exports.

Mexican border states account for more than 76% of all *maquiladora* employment in Mexico. A competitive and well-trained labor force, as well as policies promoting this sector, spurred growth in the *maquila* industry in the 1990s, and in today's current global economic slowdown, this workforce is buoying the sector's resilience. Economic studies have shown that the growth of the *maquiladora* sector during the first year of NAFTA, together with multiplier impacts, has yielded greater income gains in U.S. border states than in Mexican border states.<sup>xvi</sup> The transmission of regional growth is fueled by the *maquiladora* companies' production expenditures, direct payroll payments, and the transborder spillover of salaries paid to Mexican workers who buy goods and services in the United States. Another factor is that a significant number of *maquiladora* facilities in Mexican border states are connected to companies based in U.S. border states.

**Figure 4: Maquiladora Plants Operating in Mexico, 2002-2006 (Annual Percentage Variation)**



Source: INEGI

The extraordinary human interaction taking place in the borderlands is revealed in the massive number of people who cross the international line through the 25 ports of entry. In 2008, entries reached almost 206 million people annually, most of whom were locals involved in daily personal or business activities. However a substantial number of crossers were visitors attracted by the services and amenities offered by the tourism industry on the Mexican side of the border.<sup>xvii</sup> In 2007, almost 72.4 million international travelers visited Mexican cities, generating jobs and income for both sides of the border.<sup>xviii</sup> This number is 17% lower than the figure observed in 2001, when the number of visitors reached 86.7 million. On average, day visitors spent US\$40 a day per person, while overnight visitors spent almost US\$70 a day per person.<sup>xix</sup> This expenditure mainly benefits large Mexican cities like Tijuana, Ciudad Juárez, and Nuevo Laredo, but it also spills over and has multiplier effects on the U.S. side of the border.

In sum, the transborder economies of the United States and Mexico are fast-growing and increasingly integrated. Whether defined as states or as counties and municipalities, the

intensity of economic interaction causes the border region to be the geographical focal point of a very large and disproportionate share of U.S.-Mexico economic interaction.

## 2.4. A shared environment

An undeniable reality of the U.S.-Mexico border is the need to conceive of its shared environment as a unitary phenomenon. Pollution on one side of the border hardly ever remains on the same side. The air basins are shared, water courses crisscross the international boundary along several points, and wildlife traverse the line with total disregard for nationalities.

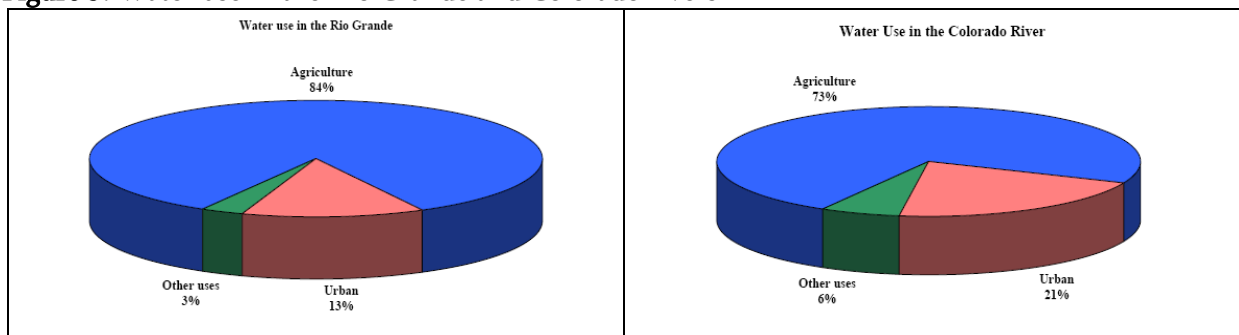
Rapid population growth along the border and out-of-control pollution created the need for the 1983 La Paz Agreement. Urban air basins were affected by vehicle emissions and rural ones by copper smelters and agrochemicals. Water pollution was synonymous with the border at several locations, notably at Calexico-Mexicali where the polluted New River represented an environmental challenge, and in San Diego County where a polluted Tijuana River also created the potential for ecological damage. But infrastructure investments and institutional coordination in the 1980s, and the establishment of new institutions in the 1990s, began reversing water pollution trends in the borderlands. Today's environmental concerns are now also centered on resource depletion, resource limitations, and encroachment on the natural environment.

Steadily, both countries have had to modernize and increase their efficiency in managing water along the Rio Grande, along the Colorado River, and in the aquifers that supply the bulk of water for the region. The Colorado River system is fast approaching a management regime under so-called "shortage conditions", with still no agreement reached between the seven U.S. states and Mexico on how to solve a possible cutback in each party's yearly allocation. This set of conditions is exacerbated by the additional complications that climate change will bring to the area. It is likely that sections of the border will become even drier while others, mostly near the coastline of the Gulf of Mexico, will face a higher probability of flooding due to erratic weather patterns.

Water scarcity is undoubtedly the greatest single environmental peril in the U.S.-Mexico transborder region. It threatens our quality of life, endangers water-sensitive ecosystems and the wildlife they support, puts at risk economic growth, and strains diplomatic relations between the two nations. In the Colorado River and the Rio Grande/Río Bravo watersheds, agriculture absorbs more than 75% of the available water, with municipal use accounting for much of the remainder (figure 5). But reliable water data and data-sharing is not a common

practice nor is there an institution that can be identified as the main administrator of this critical resource. Of the many institutions in charge of managing borderlands water, the International Boundary and Water Commission (IBWC) is the closest to a binational water management agency. However its role as a technical buffer for the diplomatic decision-making entities in Mexico City and Washington, D.C., along with the many interests represented by state water agencies on the U.S. side and by Mexico's National Water Commission (CONAGUA), combined with issues of national sovereignty, impede the IBWC from becoming a binational water resource management agency.

**Figure 5:** Water use in the Rio Grande and Colorado rivers



**Source:** Comisión Nacional del Agua, 2008

The management of shared water resources must recognize the foundations of centuries-old water laws and the enormous financial investments made to deliver this resource for its beneficial use on both sides of the border. Although potential for future bilateral discord exists, water managers at the municipal, state, and federal levels are increasingly pursuing solutions that are mutually beneficial for both sides of the border. Several clear examples are emerging in ongoing U.S.-Mexico discussions about cooperative actions for the Colorado River.

Under the auspices of the IBWC and propelled by ongoing drought and the possibility of climate change, states and other stakeholders are collaborating binationally to explore the feasibility of innovative arrangements that would strengthen the availability of water supplies. Participants are exploring the feasibility of building binational desalination plants at the Pacific Ocean and along the northern Gulf of California. Binational workgroups are also examining possible collaboration on water conservation improvements in Mexican farmlands. Such a positive approach also extends to creative binational arrangements to better prepare the two nations for drought and Colorado River water shortages.

Such binational discussions are inclusive and reflect an appreciation of mutual needs, authorities, sovereignty, and societal values, including the protection of sensitive ecosystems. These discussions represent a new way of doing business on binational water issues and suggest an approach that embraces dialogue, openness, and inclusiveness.

## Chapter 3

# A 2030 Vision: Building A Common Future Together. Goals And Objectives.

This section describes a long-term vision for the transborder region based on the input of regional stakeholders. The *2030 Vision* foresees a competitive, sustainable, secure, and equitable region for the next 20 years and beyond. The Strategic Guidelines reflect the vision that foresees *a transborder region whose people and governments are willing to advance these goals in the medium and long term. An overarching goal is the alignment of the views, plans, strategies, and actions of governments at the municipal, county, tribal, state, and federal levels in order to achieve a prosperous, secure, clean, healthy, and competitive region capable of generating world-class development and continued progress, while maintaining the independence of the two nations.*

Acknowledging this vision, the goals and objectives for the transborder region comprise:

### 3.1. Increasing the region's competitiveness

The vision of regional competitiveness that emerged during the planning process was one of a transborder region capable of attracting and maintaining firms with stable or rising markets shares, while maintaining stable or increasing standards of living for the people living in the region. The perspectives for increasing competitiveness builds on the Index for Regional Competitiveness developed by the ad hoc working group coordinated by the State of Sonora in 2007-2009. Regional competitiveness in the transborder region has various aspects, but the participants agreed on a set of fundamental dimensions:

**Logistics corridors.** *The transborder region will be a space physically integrated by a network of highly efficient logistics corridors.*

The region will strategically reinforce its two great North-South logistics corridors: The CANAMEX Trade Corridor connecting Mexico, the Western U.S. states (Nogales, AZ, to the Canadian border), and the NASCO corridor, which runs through the central United

States, Eastern and Central Canada, and into Mexico. Several transversal corridors across the United States and Mexico will also be developed.

**Labor productivity.** *Through innovation and collaboration within the educational system, the region will increase the qualification of its labor force to compete in the global economy.*

- Labor productivity in the region will be augmented to levels comparable and competitive with the most productive nations within the OECD.
- The region's labor force will have higher than 80% high-school graduation rates and will be highly skilled and versatile.
- Efforts to enhance the border region's comparative economic advantages in terms of human capital and labor mobility will help ensure that the respective immigration laws of the two countries are honored and respected.

**Specialization and clusters.** *Through the use of resource-efficient and innovative business models, the region will create a highly specialized but networked economy.*

- Scores of transborder business clusters will facilitate the common sharing and continuous development of knowledge-based competitive advantages.
- Venture capital, financing, entrepreneurs, and academia will form partnerships to foster a highly innovative environment across the transborder region.
- The region will reinforce traditional competitive advantages in the hospitality industry by developing a medical tourism cluster.

**Governance.** *The transborder region will develop a modern, stable, and promotion-minded institutional structure committed to enhancing comparative advantages and cooperation between government, businesses and citizens.*

- Local, state and federal agencies on both sides of the border will work together to promote the region and attract new investments.
- The rule of law will prevail throughout the region, eliminating corruption and red tape and protecting intellectual and industrial property.

**Knowledge.** *The region will become a space with a high degree of synergistic collaboration among higher education institutions and scientific research institutes, and between these and businesses.*

- Cooperation in the region will contribute to a dynamic transborder corridor of knowledge and innovation continuously applied to economic and social endeavors.
- A growing number of higher education institutions in the region will be recognized as being among the best in the world.

**Entrepreneurialism.** *The transborder region will benefit from an innovative, entrepreneurial population and a variety of knowledge-based economic activities.*

- The region will enjoy a high degree of labor and academic mobility.
- The region will be an attractive destination for venture capital and investments in science and technology.
- The formation of public-private partnerships, especially involving academia, will become a norm in the region as research universities benefit from long-term research funding, while the private sector will gain from state-of-the-art scientific research.

**Infrastructure.** *The region will develop a well-planned and well-designed communication and transportation infrastructure.*

- The region will be capable of providing safe and efficient transportation networks for people and goods both domestically and internationally.
- The region will offer world-class logistics services, comparable in efficiency to the best within the OECD.

**Quality of life.** *The region will offer a high quality of life to its residents, including world-class amenities.*

- The region will develop and maintain a first-class healthcare system, including high-tech, state-of-the-art hospital and medical facilities as well as traditional medicine, with a wide array of alternative treatments accessible to residents and visitors.
- The region will enjoy a clean environment spearheaded by responsible corporations promoting clean technology and seeking high-quality living conditions.
- The region will enjoy a business community that values a safe working environment, is able to provide a stable workplace, and contributes to the well-being of local communities.

**Safety and security for everyone.** *The region will become a safe and secure space with a system of effective binational coordination.*

- The region will expand and improve existing binational coordination mechanisms in matters of law enforcement, disaster aid, and emergency response.
- The region will effectively incorporate broader-based binational networks in their effort to fight organized crime.
- Professional standards will be established for the operations and activities of police agencies, and sufficient resources will be devoted for the effective suppression of crime.

## 3.2. Developing a Sustainable Region

During the planning process, regional stakeholders embraced a vision of sustainability as a way to meet today's needs in a socially equitable fashion without harming the ability of future generations to manage their own needs in the same way. Looking forward, residents, practitioners, and specialists of the border region envision:

**Water conservation.** *Communities in the region will be mindful of the water-limited conditions, adopt effective water conservation programs, and ensure equal access to clean water for everyone.*

- Measures to increase water efficiency in agriculture and cities, including water reuse and development of alternative sources will be broadly adopted in the region.
- The region will effectively protect existing water sources against point and non-point pollution sources.
- Cities in the region will systematically incorporate proven water-saving technologies and practices, including rainwater harvesting and water recycling.
- Cities in the region will adopt and promote wastewater reuse for urban greenery.
- Land-use policies in the region will integrate provisions to promote water efficiency and protect binational watersheds.
- The management of binationally shared water resources should recognize and accommodate the need to preserve and protect sensitive yet highly valued riparian and aquatic ecosystems.
- The region will achieve a deeper understanding of the water-energy nexus because it is the key to saving more water, energy, and money. Energy efficiency not only reduces greenhouse gas emissions and ratepayer costs, it also reduces the demand for water. By cutting water consumption and waste upstream, the binational region will save energy and money downstream, avoiding big costs for pumping, treating, and distributing the community's lifeblood.

**Law enforcement and compliance.** *Environmental authorities will rigorously and systematically apply environmental regulation and full compliance will become the norm in the region.*

**Climate change action.** *The transborder region will adopt a binational action plan to increase energy efficiency and foster the use of renewable energy.*

- Development of solar, wind and biomass energy source, along with cross-border energy exchanges, will provide a secure and clean supply of energy to the region.

- The region will establish, implement and maintain systems to improve energy efficiency, particularly among key sectors such as transportation and housing.
- Cities in the region will consider green building codes as a means for promoting more sustainable construction practices.

**Comprehensive ecosystem management.** *The region will develop and implement binational mechanisms to manage cross-border ecosystems.*

- Environmental authorities, in coordination with higher education institutions, will develop, maintain and make available a database containing basic information on cross-border ecosystems.
- The region will effectively integrate and implement Transboundary Environmental Impact Assessments to determine cross-border impacts of any project with binational implications.

### 3.3. Creating a secure and safe region

The vision of security that emerged from the planning process was one of a transborder region where people can live free of threats of organized and common crime, and where the movement of persons and goods across the border is efficient and safe from the perspective of national security. This vision for a secure and safe transborder region contains several elements.

**Sharing information.** *Authorities in the transborder region will develop the mechanisms and the trust for a swift exchange of information and appropriate police intelligence across the border.*

- Property records will be easily accessible to law enforcement agencies on both sides of the border to help money-laundering investigations and to enable authorities to determine when a property is eligible for seizure.
- Law enforcement agencies on both sides of the border will be able to use intelligence and technologies as their main tools to fight organized and common crime.
- The establishment of Binational Liaison and Information Exchange Centers will build a foundation of trust and collaboration related to intelligence exchange.

**Training and professional standards.** *The region will develop, maintain and implement training standards and enhance professional practices that are harmonized across the border.*

- Law enforcement personnel on both sides of the border will be subject to continuous and homologous certification programs.

- Law enforcement agencies will develop and adopt common protocols for criminal investigation and legal prosecution of criminal activities within the region.

**Technology and resources.** *Law enforcement agencies on both sides of the border will have access to appropriate resources and the best technology to fight crime effectively.*

- The region will integrate video and voice technologies as part of their toolset to fight crime in urban areas.

**Binational cooperation and coordination.**

- Binational cooperation will be regular and frequent, including meetings between legal practitioners, judges, court administrators, social service workers, court interpreters, and defense attorneys.
- In matters of emergency response and preparedness, collaboration and coordination protocols and procedures will be set, particularly in cases of natural disasters.
- Current and future border-crossing infrastructure will incorporate technology that ensures security and efficiency without imposing additional unnecessary costs on economic competitiveness.

**Judicial reform and civic engagement.** *An appropriate and swift application of justice will be ensured for all citizens on both sides of the border.*

- Cities on the border will have joint public safety committees to combat drunk-driving.
- *The region will develop a system enabling citizens’ input on issues of crime-prevention planning and reinforcement of the judicial system on both sides of the border.*
- Citizens and authorities will work together in implementation of a “zero tolerance” strategy for corruption.

**Prevention and treatment.** *A wide array of programs will be developed to transform and maintain the region as a drug-free binational community.*

- A trans-border addiction-treatment system will provide continuous treatment to users on both sides of the border while establishing a long-term model for binational cooperation on a shared health problem.
- The region will adopt the most effective methods to prevent drug abuse and promote mental health among the youth and other vulnerable groups.

### 3.4. Improving quality of life for everyone

There was consensus among the participants in the planning process that the U.S.-Mexico transborder region will be strengthened by an active approach to improving the region’s

quality of life. Therefore, transborder regional planning and community development efforts should be aimed at achieving the highest possible quality of life and well-being for all the residents on both sides of the border. Quality of life was defined broadly by the participants in the planning process, and they agreed on a set of fundamental dimensions:

**A healthy life.** *A condition for a healthy life along the border is the creation of a binational health system offering affordable and high quality care to residents on both sides of the border.*

- Public-private prevention systems and partnerships involving both sides of the border are the preferred mechanism to expand the network of hospital and community health centers needed to diversify and develop the supply of prevention healthcare services available to border residents.
- Through education and community outreach programs, residents will be motivated to embrace a more active lifestyle and better nutritional habits.
- Neighborhoods will promote outdoor activities with a network of parks and sport facilities in a crime-free environment.
- Binational monitoring and surveillance systems will be effectively used by health authorities on both sides of the border to reduce the incidence of communicable disease and epidemics.
- Protocols for collaboration and coordination will be in place for cases where the spread of contagious diseases arise, establishing adequate preventive measures for the transborder region.
- Consider efforts that would enable enhanced cross-border health insurance coverage for expatriates, in order to increase their access to convenient and adequate medical services where they live.

**Education.** *The region will offer high quality education to all its residents as a mean to improve their employment opportunities in a highly globalized economy.*

- Education will be accessible to everyone, overcoming financial barriers that might otherwise prevent an individual from obtaining appropriate training and education.
- Harmonization of educational programs and coordination of long-term investments in science and technology will support the development of a knowledge-based economy.
- Elementary and secondary schools and institutions of higher education such as community colleges, universities, and vocational schools, will be active participants in a network of educational exchanges that will promote the development of a shared knowledge base, including a common set of skills and social values.
- The mobility and connectivity of the region's highly qualified labor force will be among the highest in the OECD.

**Livable communities.** *The region will have a diversity of housing, transportation, and recreation choices within its cities and towns, and its residents will have equitable access to employment, education, healthcare, open space, security and other collective assets.*

- Cities and towns will be planned and managed collaboratively across the border in order to close the livability gaps that produce the cross-border spillovers of negative externalities resulting from urbanization.
- Neighborhoods will provide a safe environment for families to live and grow, including parks and recreational facilities used by residents of both sides of the border.
- Comfortable and energy-efficient housing will be made more available in order to benefit more border-region residents.
- The identity of rural communities and their contribution to the character of the transborder region will be acknowledged and protected through appropriate policies.

**Regional identity.** *The uniqueness of the region's binational and diverse culture will be celebrated as one of its strengths.*

- The transborder region will consist of interdependent communities with distinct identities built on their common history, traditions, natural landscapes, and cities. These regional identities will be projected globally.
- The distinctive culture of the transborder region will be based on bilingualism and transnationalism in the context of a broader globalization process, while still respecting the sovereignty and independence of Mexico and the United States.
- Indigenous cultures will be recognized and celebrated as central elements of the border's history and future regional identity.
- The development of infrastructure and venues for the expression and celebration of the border culture will be a priority in the region.

**Opportunities for all.** *Opportunities should be available to all citizens and legal residents on both sides of the border to enjoy the benefits of their respective country's improved growth and prosperity resulting from regional development. These opportunities should also come with appropriate responsibilities.*

- The opportunities created by economic growth will be available to all individuals and groups of people, along with the burden to act responsibly.
- All border residents will have access to their respective state/national infrastructure, service array and economic opportunities consistent with existing laws, regulations, resources, and requirements.
- Communities on both sides of the border should receive appropriate support to develop into better and stronger cities and towns where quality of life measures

improve from today's levels and ultimately rise to meet commonly accepted standards. Economic growth within the region should be the greatest factor in reducing unemployment and poverty among Mexican and U.S. border communities.

**Global Engagement.** *Through appropriate infrastructure investments, the region will remain connected to the global and North American communities, a condition that is necessary to maintain a high quality of life in the transborder region.*

- The U.S.-Mexico border will continue to be the gateway between the United States and Mexico, and will be a global destination for capital, technology, and people; all of which will create jobs and opportunities for local residents.
- The public and private sectors within the transborder region will forge strong partnerships to improve the competitiveness of the region in North America and globally.

Each and every one of these objectives should be accomplished through decisions that involve continuous and adequate public participation.

# Chapter 4

## Strategies

This section describes the actions and tools that were identified during the planning process as critical interventions to move the transborder region toward the 2030 Vision introduced in the previous section.<sup>xx</sup> These actions are grouped in the four core areas of the Strategic Guidelines: competitiveness, sustainability, quality of life, and security.

### 4.1. For a more competitive transborder region

The border between Mexico and the United States creates opportunities for enhancing the competitiveness of both countries—and especially of the border states—while simultaneously making communities on both sides more secure and prosperous. The Delphi participants and specialists both agreed on the following Strategic Guidelines:

**4.1.1. Logistics infrastructure and systems are one of the main foundations for competitiveness in the global marketplace:** Along with technological innovation, logistics efficiency is one of the two main determinants of competitiveness in today’s global markets. Two main logistics supercorridors are essential to the Mexico-U.S. transborder region: the Western corridor known as CANAMEX, and the Central-Eastern corridor known as NASCO. More than 90% of North-South transborder trade runs through these two corridors. Considerable investments are needed to enlarge and modernize both corridors and to fully coordinate their U.S. and Mexican components.

**To that end, there is an urgent need to develop a comprehensive strategy to enhance cross-border mobility,** which will entail short-, medium-, and long-term actions.

*In the short term,*

- a) Create a permanent binational task force for transborder mobility. It is vital to create a binational task force which would bring together key federal, state, tribal, county, and municipal governments, as well as business and civic organizations. This task force would commission a comprehensive study of future needs and assess the options for financing, building, and staffing border ports of entry, as well as linking these to

transportation corridors in both countries. In any event, the ports of entry must be conceived as essential components of the principal logistics corridors traversing the transborder region.

- b) An assessment of border infrastructure needs is urgent: To date, there is no clear assessment of the specific needs for upgrading existing border ports of entry and developing new ones. A definitive assessment of needs and the corresponding medium- and long-term programming is called for. In that respect, the work of the U.S.-Mexico Joint Working Committee on Transportation Planning, which is coordinated by the U.S. Department of Transportation (USDOT) and the Mexican Secretaría de Comunicaciones y Transportes (SCT), should be advanced. Time is ripe for specific binational programming and budgeting.
- c) Comprehensive logistics thinking must be applied toward the development of new plans. The transborder corridors must include several modes of transportation and communication, such as super-highways, modernized railroads, telecommunications facilities and even water and power transmission lines.
- d) Investment in infrastructure is essential: Both countries need to make the upgrading of current ports of entry and the construction of new ones top priorities. State and local governments, as well as civic and business organizations, should play key roles in calling to the attention of federal governments in both countries the need for expanded and upgraded infrastructures. Currently, outdated and understaffed ports of entry create long wait times for both personal and commercial vehicles, often in excess of one or even two hours. The recent allocation of roughly US\$223 million from the U.S. stimulus bill to improve older crossing points at Columbus and Antelope Wells in New Mexico; at Nogales West in Arizona; and at Otay Mesa in California, is welcome. So, too, are recent commitments by the Mexican government to upgrade facilities. However, these funds represent only a very small fraction of the total investment needed to update outmoded port-of-entry and supercorridor infrastructures.
- e) Enhance staffing at border ports: Existing border crossing points also face chronic staffing issues that create delays for commercial and noncommercial traffic and undermine security. At a time when both federal governments are allocating funding for border security, efforts should be made to ensure sufficient numbers of customs and border inspectors since additional staffing can reduce wait times and enhance security procedures. The application of improved inspection technology on both sides of the border, under the auspices of the Mérida Initiative and as detailed in the National Southwest Border Counternarcotics Strategy, can contribute to improving both security and transportation. Over time, it would make sense to expand the SENTRI program to increase the number of low-risk frequent border crossers who have access to expedited crossing lanes.

- f) Expedite permitting of new ports of entry. Both countries—especially the United States—will also need to evaluate how to expedite permitting procedures for the construction of new ports of entry, a process that frequently can take from eight to 15 years. The recent approval of the Otay Mesa East Port of Entry in San Diego County, which took only months, represents a potential model for implementing an expedited permitting process.

*In the medium term,*

- g) Situate new commercial crossing points outside of cities, whenever possible, while recognizing that urban crossing points are necessary and unavoidable for noncommercial traffic in several major twin cities.
- h) Promote the start-up of binational public transportation between pairs of twin border cities. Efforts by El Paso, Texas, and Ciudad Juárez, Chihuahua, to build a public transportation system linking the downtowns of both cities are notable developments.
- i) Significantly increase railroad transit across the border. Rail transportation is more efficient for business and reduces environmental pollution. The recent approval of a new transborder rail crossing is a step in the right direction, and the application of nonintrusive inspection equipment for northbound trains will help increase security at existing rail ports of entry.
- j) Explore new border inspection systems. One of the most important challenges facing transborder infrastructure and transportation logistics is the need to move inspections of commercial traffic away from the boundary line itself, while at the same time ensuring the security of shipments. As a short term priority, continue to expand the FAST program.
- k) Consider joint management of ports of entry. The Pacific Council and Mexican Council on Foreign Relations have recommended joint management of existing ports of entry, the construction of co-located management hubs in new ports of entry, and the strategic alignment of the hours of operation of ports of entry on both sides of the border.<sup>xxi</sup>
- l) Implement the Border Legislative Conference’s (BLC) innovative proposal for developing Secure Manufacturing Zones, through which state governments provide state tax incentives for companies enrolled in the Customs-Trade Partnership Against Terrorism (C-TPAT).<sup>xxii</sup> Tax incentives would be designed to compensate companies for the investments in technology they make to enhance supply chain security or to improve environmental performance.
- m) Develop a coordinated network of “inland ports” along the main logistics corridors. Such a network will enhance commercial security beginning at the point of origin

through a system of customs and security clearances, helping in the fight against terrorism and common crime.

- n) On the U.S. side, it would be optimal for the White House to designate a point person to drive the interagency permitting process for ports of entry and to ensure quick resolutions. It will be important for the U.S. General Services Administration (GSA) and Mexico's Secretaría de Comunicaciones y Transportes (SCT) to respectively name senior officials with overarching policy authority for border ports of entry who can act as point persons for future construction projects.

*In the long term,*

- o) Diversify funding alternatives for infrastructure development: Almost all opportunities for enhancing competitiveness in the border region require a significant investment in transportation infrastructure, including crossing points that facilitate the flow of people and goods in an orderly and expeditious manner. Public-Private Partnerships (PPPs) and even standalone private investment options should be explored.

Financing new ports of entry requires both a commitment from the two federal governments and the pursuit of creative and new opportunities for public/private partnerships. One measure that would enable long-term infrastructure planning on the U.S. side would be the approval of the Putting Our Resources toward Security (PORTS) Act. This legislation would enable multiyear funding for the construction and upgrade of border crossing stations. Additionally public/private partnerships represent promising opportunities for the financing of upgrades to existing ports of entry and for the construction of new facilities. Such a partnership helped to enable the approval of the new Otay Mesa East port of entry in San Diego County in record time. Such projects, which make use of congestion pricing, tolls, and similar mechanisms primarily to benefit motorists willing and able to pay to cross expeditiously, should serve as complements to existing federally funded ports of entry. Still another promising avenue for financing on the U.S. side, currently being explored in Arizona, is the creation of a Port of Entry Authority, able to raise bond revenue for infrastructure improvements at crossing points.

**4.1.2. New economic clusters can build on existing comparative advantages:** Comparative advantages all along the border allow for the creation of new industries able to generate economic benefits for the region. The Tijuana/San Diego, Ciudad Juárez/El Paso/Las Cruces, and Monterrey/Dallas and Monterrey/Houston corridors are particularly suited to innovative partnerships, given the size of their urban areas and the presence of institutions of higher

education and learning. As an example, the research consortium San Diego Dialogue has identified several industries as particularly ripe for cross-border economic clusters in the Tijuana/San Diego region, where research-and-design capabilities on the U.S. side are compatible with production-and-manufacturing capabilities on the Mexican side. These industries include aerospace, automotive, and other related industries; biomedical devices; pharmaceutical products; and software.

*In the short term*, state and local development planners may choose to focus on:

- a) Developing strategic plans in key cross-border regions to identify opportunities, create incentives for investment, and coordinate strategies. The models created by San Diego Dialogue (Tijuana/San Diego) and Plan Juárez (Juárez/El Paso/Las Cruces) are particularly useful, and the *partnership between Texas and the northeastern states of Mexico provides another model through which planning could take place.* Simply documenting existing cross-border clusters, refining indicators to study their development, and defining areas of opportunity are major steps for most border communities. Nevertheless, planning strategically on the basis of these efforts is a necessary second step.

*In the medium term*,

- b) Efforts by the federal and state governments to harmonize standards could help to facilitate cross-border commerce and reduce de facto barriers to cross-border investment. A systematic program for transborder entrepreneurial networking, strategically organized around sectors, clusters, and lines of innovation, could also advance cross-border commerce.

**4.1.3. Educational partnerships are a foundation for economic competitiveness:** Innovative research partnerships in education and science and technology are essential for enhancing economic supercorridors, as well as for developing those leaders capable of advancing cross-border innovation into the future. The creation of transborder networks for economic development that are based on science and technology is essential.

*In the short term*,

- a) Strategies for economic corridor planning and investment should entail the development and practice of complementary educational curricula in institutions of higher learning and in vocational schools. Such programs should seek to prepare the border region's workforce for the opportunities to be obtained from new and evolving

industries. Additionally state and local governments can play crucial roles by partnering with the private sector and with educational institutions to enhance cross-border economic opportunities and to improve planning and provide incentives to enhance innovation through science and technology.

*In the medium term,*

- b) Institutions of higher education can invest greater resources and creativity in planning cross-border opportunities for internships and coursework, as well as in binational degree programs. States, municipalities, and the private sector can also offer incentives to encourage new cross-border economic opportunities and partnerships. Finally, the federal government can support these efforts by providing resources for innovative cross-border university partnerships using existing funding streams, such as those provided through the U.S. Agency for International Development's (USAID) TIES program and through the Consejo Nacional de Ciencia y Tecnología (CONACYT). U.S. legislation allowing students in the border region to take classes or hold internships in the other country would further facilitate these partnerships. Because current U.S. visa regulations generally require full-time enrollment as a condition for qualifying for a student visa, planners could focus efforts on creating greater opportunities for foreign students to study on a full-time basis in fields related to science and technology. These efforts additionally could foster new agreements and partnerships between educational institutions and be strategically organized around economic clusters, sectors, and industries.

**4.1.4. A revised BECC and NADB could provide new sources of financing:** These agencies have the potential to help generate investments in areas other than environmental infrastructure, only if their mandate were revised and expanded. The support of the Border Governors Conference and of the individual border state governments would be essential to expanding BECC and NADB's scope of potential involvement in border-related infrastructure projects. Although it is essential that both institutions continue their important roles in promoting environmental infrastructure, additional initiatives ought to be considered:

*In the short term:*

- a) Revitalize the Border Environment Infrastructure Fund (BEIF) to provide grants to local governments for projects that benefit low-income communities. NADB should explore partnerships with the Inter-American Development Bank, World Bank, and the International Finance Corporation. This could lead to a shared vision and give NADB additional expertise in its role as a development bank.

- b) NADB should require that proposed projects demonstrate environmental benefits by requiring broader environmental metrics.
- c) Encourage investments in environmental technology and renewable energy at a time when the U.S. and Mexican governments are seeking ways of enhancing a bilateral partnership on renewable energy and climate change. NADB can play an even greater role in promoting this partnership by providing premium lending rates for projects demonstrating higher environmental standards linked with water or energy savings as well as natural resource enhancement.
- d) Develop a more flexible concept of the geographic scope for BECC and NADB projects, by incorporating areas within clearly defined economic corridors. NADB should be allowed to finance some private infrastructure projects, which could, in turn, help generate interest that would further capitalize the bank.

In the medium term:

- e) The NADB Board should seek additional capitalization along with a broadened mandate that would allow it to finance a broad range of border infrastructure needs, including ports of entry, railroads, roads, and bridges linked to the development of economic corridors.

**4.1.5. There are untapped opportunities in energy.** There is an untapped potential for increasing energy interconnections among border communities and exploiting opportunities for renewable energy sources. The different regulatory frameworks in both countries make greater interconnections difficult but not impossible, and state governments can take leadership in promoting these opportunities.

In particular, in the short term:

- a) Work out the differences in the legal frameworks, and design a model that can work with the Mexico's Federal Electricity Commission (CFE) to extend permits to develop renewable energy. The goal is for federal action to streamline opportunities for electricity export that would benefit border communities.
- b) U.S. states with aggressive Renewable Portfolio Standards (RPS) should accept electricity generated from renewable sources in Mexico to incentivize this binational market.

In the medium term:

- c) Examine the possibility of developing additional liquefied natural gas (LNG) facilities that can sell to communities on either side of the border with the goal of better distributing the benefits of LNG.

## 4.2. Toward a sustainable transborder region

Most participants in the planning process concur that we must bridge the gap in welfare and quality of life, not just across the international boundary but within communities on each side; honor the region's life-support system by expending water and energy efficiently, while preserving the region's environmental quality and biodiversity; and contribute to curbing global warming. To accomplish this, we must integrate management and stewardship on several fronts.

**4.2.1. Water management must be regional and stakeholder-driven and integrated and cross-cutting.** Both binational and unilateral management of water resources can entail highly contentious and prolonged processes that redirect efforts away from creative pursuit of mutually beneficial solutions and toward legal maneuvers or conflict resolution. Proactive engagement with key stakeholders at the local, regional and federal levels can lead to more efficient team solutions. Potentially challenging international issues require a recognition of state leadership roles and the construction of instrumental binational relationships.

In the short term:

- a) Regional stakeholders should be key players in decision-making regarding water management. Within the 1944 International Water Treaty, adjustments can be made through the IBWC Minute process to include the establishment of regional entities comprising federal and state authorities. The entities will allow for better representation of regional views and interests. Facing increasing water scarcity, especially in the Colorado River Basin, the IBWC has started to embrace this approach through implementation of the U.S.-Mexico Process for Joint Cooperative Actions on the Colorado River.

In the medium term:

- b) Regional bodies can be structured to act as watershed councils or as formal advisory boards. This suggests that Mexico would open the discussion of issues in the Río

Conchos basin to U.S. water users and environmental advocacy groups; similarly, in the western United States, the seven states in the Colorado River basin would engage Mexico in discussions concerning that water.

**4.2.2. Water-use efficiency for water conservation.** As in many regions of the world, agriculture uses almost 80 percent of the available water. It uses this water inefficiently and pays lower water-use fees when compared to other users.

To counter that, in the short term:

- a) We must protect efficient agricultural practices and revamp and replace inefficient ones. Irrigation districts and water agencies must monitor water-use efficiencies in agriculture and invest in infrastructure and build capacity to increase the agricultural output per unit of water applied.
- b) Urban water use must be held to similar standards of efficiency and conservation. We must promote wastewater reclamation, particularly where ornamental greenery, planted to increase real estate values, results in a high percentage of the total water use.

In the medium term:

- c) We must engage in a source-water-protection campaign by focusing on urban and agricultural runoff and managing non-point source (NPS) pollution to protect water quality. Mexican cities have not addressed NPS, which has resulted in rampant pollution in streams and aquifers that will eventually diminish regional sources of clean water.
- d) To reduce demand on traditional sources, cities should look to alternative water sources, including rainwater-collection systems and urban catchment basins. For these measures to take hold, the public must urge legislators to make regulatory changes in water-use laws.

**4.2.3. Reinforce crossborder environmental institutions and cooperation.** Ecosystem services are deteriorated on both sides of the border because of the lack of mechanisms to provide incentives across the border. Creating a binational lens for many phenomena can help allocate resources to the proper place and minimize the negative impacts. It is in the physical world where binational, transboundary decision-making makes the most sense, since the natural environment is one and the same across the international line.

Several phenomena of the environment are factual, regardless of nationality. Most importantly, data describing the physical world and environmental impact due to human interaction are true, irrespective of the border. To overcome these challenges, it is necessary that

In the short term:

- a) Expand the BECC's responsibilities or develop a binational environmental advisory council to provide expert opinion on cross-border ecological or natural-resource issues. This would help bridge divides where different regulatory systems fail to provide guidance. This institution would be responsible for a binational environmental database for the transborder region, adopting common metrics, methods, and sources, with the full support and commitment of regional as well as national authorities.
- b) Further the development of a Transboundary Environmental Impact Assessment (TEIA), initiated by the North American Commission on Environmental Cooperation, and agree on the terms of application for projects and other on-going programs. Place the mechanism in the hands of this binational council, an institution specializing in environmental conflict resolution, or the BECC.

If BECC is given this role, in the medium term:

- c) Its board of directors as well as that of NADB should include an additional seat for a representative of the U.S. Department of the Interior.

**4.2.4. Develop a regional action plan to reconcile energy consumption with environmental sustainability.** Engaging in a strategy to promote energy efficiency, take part in the U.S. EPA's and Mexican INE's inventory of greenhouse gas emissions, which can open new possibilities for emission exchanges, the development of renewable energy sources, and lead to other endeavors that can stimulate the economy.

Enabling local communities to become a part of this undertaking requires, in the short term:

- a) Promoting partnerships between municipalities and institutions of higher education to develop a detailed geographic information system (GIS) of potential sectors, high energy users, and renewable energy sources to make the necessary connection, so as to engage the 10 states of the transborder region.

- b) Encouraging all border twin cities to engage in cross-border discussions on how to set up emission exchanges of all sorts making use of current market strategies.
- c) Establish a binational task force for energy cooperation to consider the existing differences in the institutional arrangements for the energy sector in the two countries and provide appropriate recommendations to stimulate energy exchange. Task force participants would include the U.S. Department of Energy and Mexico's Secretary of Energy, Federal Electricity Commission, and PEMEX, as well as appropriate agencies from the border ten states.
- d) Promote the use of renewable energy and energy-savings technologies where appropriate and cost effective.
- e) Expand the BECC's and NADB's abilities to provide technical assistance and funding to develop renewable energy projects and reduce greenhouse gas emissions.

#### **4.2.5. Agree to conservation measures directed at preserving regional ecosystems and species.**

Urbanization affects ecosystems and areas of high ecological value, increasing the risks for the region's extraordinary natural phenomena.

- a) Integrate federal and state environmental policy with urban, land-use and fiscal policies. Establish innovative regulatory mechanisms to promote conservation of open areas to protect the integrity of ecosystems and the environmental resources they provide.

### **4.3. Toward a more secure region**

Security, or effective state control of organized and common crime, is an essential component of the cross-border relationship. The planning process identified several strategic guidelines in this area:

**4.3.1. Fighting crime under a paradigm of mutual responsibility.** Since 2006, the high numbers of organized-crime killings, particularly related to drug trafficking in Mexico's northern border states, have prompted worries of an imminent spillover of violence into the United States. The acknowledgement by U.S. officials that the violence is a "shared responsibility" constitutes a paradigm shift that poses new challenges and opportunities for cross-border collaboration and law enforcement.

BEST taskforces conduct investigations into organized crime and drug trafficking in U.S. - Mexico border states, and they comprise authorities from the federal, state, tribal, county,

and municipal levels, along with Mexican federal police representation. Similarly, fusion centers bring together federal and state law enforcement agencies from both sides of the border. Additionally, reactivating the Border Liaison Mechanism may provide another platform for advancing collaboration.

#### **4.3.2. We urgently need cooperation between the U.S. and Mexican law enforcement agencies in the area of technical assistance to Mexican state, municipal, and federal police.**

In the short term, key strategies call for:

- a) Enabling police agencies to attain international certification through creation of training programs, internal controls, and professional career paths.
- b) Holding frequent meetings between legal practitioners from both countries, including judges, court administrators, social-services workers, interpreters, and lawyers.
- c) Providing opportunities for information sharing where judges, clerks, prosecutors, and others involved in the judicial process can discuss their work. We must overcome historical mutual mistrust, while also building mechanisms to follow international protocols. The forms of engagement implied in binational collaboration and coordination are complex and not always easy to implement.

#### **4.3.3. Confront drug trafficking through a more diverse and broader based strategy.**

Contraband smuggling and other security challenges may be more effectively resolved away from the border or in coordination with enforcement efforts at the border.

In the short term:

- a) Develop strong substance-abuse prevention programs that address drug addiction in addition to drug trafficking. By so doing, make the problem one of both public security and public health.
- b) Develop a long-term model of binational cooperation on ongoing drug treatment programs.

**4.3.4. Raise the cost of the criminal enterprise.** Raising “the cost of doing business” for organized crime represents a realistic and long-term goal on both sides of the border. We must address the extensive money laundering that occurs within the United States.

In the short term, strategies for resolving this include:

- a) A system for anonymous reporting of suspicious activities at remittance-sending locations could aid U.S. investigations.
- b) A bilingual and binational hotline for anonymous reporting of suspected criminal activity could also assist in these and other investigations.

In the medium term:

- c) Mexico should make efforts to make property records more publicly accessible. This could aid money laundering investigations and help authorities determine whether a property was purchased illegally and is therefore eligible for seizure.
- d) Similarly, laws against cash purchases of expensive luxury goods, vehicles, and real estate can reduce money laundering.
- e) Mexico's self-policing notary publics, who certify land sales, should be regulated.
- f) To deal with bulk cash shipments from the United States, greater coordination among federal and state law enforcement agencies is needed, including task forces that incorporate all relevant agencies.

**4.3.5. Arms Trafficking:** One of the greatest challenges is to set strategies that could abate short-term arms smuggling.

In order to do this, *in the short term*:

- a) Southbound inspections in both countries may be effective prophylactic measures to mitigate arms smuggling.
- b) U.S. states can influence factors that contribute to arms smuggling by choosing appropriate regulations to control illegal trafficking.
- c) Mexican authorities should have wide access to gun tracing tools to assist in investigations and to learn the origin of the weapons that wind up at crime scenes.

**4.3.6. It is important to separate the harmful from the benign.** Policymakers today face the challenge of efficiently separating the harmful from the benign to more accurately pinpoint the locus of threat and to improve resource allocation accordingly. Technological improvements hold the promise of enhancing security while making the cross-border passage of people and goods more efficient and decreasing wait times.

In the short term, we must:

- a) Accelerate the necessary agreements for the implementation of the medium- and long-term programs for the development of the logistics and transportation corridors in the transborder region.

In the medium term:

- b) For security technologies to work, however, transportation infrastructure and ports of entry (POEs) must be accordingly modernized and retrofitted.

*In the long term:*

- c) Address the US\$5-million backlog in POE facility improvements.

**4.3.7. Merging community needs with law enforcement priorities.** Border security policies inordinately affect the border communities where enforcement actions are concentrated. To ease this burden and to bolster public support for government policies, some strategies are urgently needed.

*In the short term:*

- a) Larger U.S. security interests should dovetail when possible with the public safety concerns of local communities. Local priorities to eliminate neighborhood drug dealing thus could merge with the needs of government investigations against drug trafficking organizations.
- b) Anonymous hotlines for both English and Spanish speakers could provide a valuable conduit between border residents and local police, while also enabling the sharing of valuable information among local, state, and federal investigators.<sup>xxiii</sup>

Merging community public safety concerns with government enforcement prerogatives could transform border security policies into catalysts of regional integration rather than into forces of division.

## 4.4. Toward a fair and livable region

The improvement of quality of life and the expansion of opportunities for everyone living in the transborder region are two overarching strategies reiterated during the planning process.

In order to achieve the vision and goals proposed in these guidelines, the region should focus on four general strategies:

**4.4.1. Improve the opportunities for a healthier life:** It is well known that the health status of communities within the transborder region is highly intertwined and that collaboration is the most effective way to deal with public health issues in the region. Even when the region has made substantial progress in developing mechanisms to improve communication and coordination, there is still plenty space to improve the health status of the region. A few strategies are urgently needed.

In the short term:

- a) The region should work to increase capacity and homogenize procedures to collect, analyze and exchange data. The H1N1 pandemic that affected the world and the Rocky Mountain Spotted Fever outbreak in Baja California clearly demonstrate the need to keep an updated reference library and data repository that can be accessed by medical personnel on both sides of the border.

In the medium term, other urgently needed actions include:

- b) Increasing the competency of healthcare professionals in surveillance methodologies. Working in coordination with higher education and research institutions, the region should develop a binational surveillance system based on common reporting protocols and applying new information technologies, such as GIS and scenario-building.
- c) Access to health services should be improved through the development of medical infrastructure, but also by fomenting and acknowledging the contribution of alternative models of health care delivery. One model is the *promotora* system that has demonstrated its effectiveness in reaching out to migrant and Native American communities on both sides of the border. Another model is the Binational Health Councils or COBINAS which are facilitating information and the development of best practices through well-established collaborative networks.

**4.4.2. Create more livable and safer cities:** Cities are engines of growth and prosperity in the border region, but at the same time, they are the places where poverty, social exclusion, crime, and environmental degradation hit the hardest. Improving the quality of life for people within a region depends on the transformation of its urban centers into livable and safe spaces.

In the short term, this can be accomplished by:

- a) Developing and supporting the planning and regulatory capacity of municipalities and establishing systems to monitor and evaluate the performance of planning offices along the border.
- b) Educating local communities about the benefits of compact development and flexible land use as a way to reduce infrastructure costs and car dependency. Cities on both sides of the border are facing the challenges of urban sprawl or urban decline and have had different levels of success in dealing with these problems.
- c) Creating mechanisms to share planning experiences binationally and identify a set of best practices that can help cities in the transborder region to become livable spaces.

In the medium and long term, on a regional basis:

- d) Create open-space systems using urban rivers and washes as green corridors or linear parks that can function as recreational areas, as environmental buffers, and as components of a flood-control system. The creation of new open spaces within cities must be accompanied by a strategy to rescue neighborhoods and public parks from crime.
- e) Revitalize the downtown areas of cities along the border through urban renewal strategies including improvement of infrastructure, urban image, and the amount and quality of amenities available to locals and visitors. Efforts to revitalize downtown areas can be part of a coordinated strategy involving PPPs from both sides of the border, given the strategic role this area plays for the economy of the region.

**4.4.3. Expand education and employment opportunities.** Gaps in basic and post-basic education in the border region are fundamental obstacles to regional prosperity. The educational gaps can be characterized in three ways: a quantity gap (number of years of schooling), a quality gap (performance differences of groups with similar levels of schooling), and a basic functioning gap (ability to speak English [in the United States] or Spanish [in Mexico] either well or very well).

In the medium term, a strategy to address these gaps should include the following actions:

- a) Transform the border's bilingualism into a true comparative economic advantage. Forge PPPs to fund and support ESL and SSL programs that are convenient for working adults and that are free or that charge only a nominal fee. Seek to include in state budgets funding for programs that would make border-area residents bilingual and that would make the region more globally competitive. Especially convince English-language speakers of the competitive edge to be gained from learning Spanish.
- b) More outreach and information describing the characteristics of the U.S. and Mexican educational systems should be made available to parents, students, teachers, and

employers on both sides of the border. Since migration is a continuous phenomenon in the region, border citizens need to be aware of the educational institutions and expectations in the educational systems of each country.

In the long term:

- c) Mexican border states need to embark on a long-term effort to increase the level of educational attainment of the general population up to high school. Similar efforts were made in the United States from the 1880s to the 1940s, which resulted in a big boost in productivity and income.
- d) U.S. border communities also need to close the gap between their own level of education and the national benchmark. Without a boost in education attainment, the border region will not be a competitive region in the knowledge-based economy.

**4.4.4. Reduce poverty and inequalities.** High poverty and income inequalities are at the center of the development paradox for the border. Overall, border counties are at the bottom of income levels in the United States, while the Mexican border municipalities are often above the national level. Reducing poverty and closing the gap between Mexico and the United States requires a combination of long- and short-term strategies.

In the short and medium terms, poverty reduction policies should focus on actions intended to reduce inefficiency and inequalities in the distribution of basic services and amenities. Specific actions include:

- a) Improved access to water in urban and rural communities to reduce the opportunity cost of water acquisition for families that need to rely on delivery trucks or need to haul water from distant locations.
- b) Expand sewage and trash collection to reduce health problems that impose a burden on the economy of household due to unexpected medical expenses and forced work absences.
- c) Improve and expand public transportation in cities to reduce automobile dependency.
- d) Make available access to parks, open space, and recreational opportunities year around to residents in marginalized areas on both sides of the border.
- e) As the only binational institution with a mandate including programs that have an urban/poverty dimension, such as access to drinking water, sanitation, and solid waste management, BECC must coordinate with HUD and SEDESOL to improve living conditions in “colonias” in the United States and informal settlements in Mexico.

In the long term, poverty can be reduced by:

- f) Increasing the building of human capital through more and better education and a more diverse and stable employment base.*

These interconnected strategies reinforce each other. By encouraging education combined with employment opportunities within a framework of equal distribution of the benefits of economic growth, the implementation of these guidelines will help to create cleaner and safer cities in the region, which, in turn, contributes to healthier communities. In the larger context, quality of life is clearly a contributing factor to the region's competitiveness and sustainability.

## Chapter 5

# Mechanisms, Stakeholders and Implementation of the Strategic Guidelines

Having developed the Strategic Guidelines, the real work now begins: approval and implementation of the vision and strategies included in this document. As essential as the collaborative process was in the development of this report, it is critical that we sustain and expand the collaborative process during the approval and implementation phases. The Border Governors Conference, in cooperation with the two federal governments, will lead the process toward its approval and implementation, but these guidelines are intended to provide policy recommendations for each county, municipality, business, civic organization, and academic institution, in addressing key development issues affecting the transborder region and aligning efforts to move forward. Attention to the Strategic Guidelines will not end after this initial development phase. Follow-through in approving and implementing the Strategic Guidelines will make the real difference and impact on the transborder region's competitiveness, sustainability, quality of life, and security.

The implementation of the Strategic Guidelines will be achieved through three different mechanisms:

- Implementing existing development plans and programs at the state and local levels;
- Linking future planning efforts with the vision, goals, and strategies of the Strategic Guidelines; and
- The convening capacity of the Border Governors Conference.

### 5.1. Implementing the Strategic Guidelines through Existing Development Plans and Programs

A multitude of plans and programs exist that should be implemented to advance the region's infrastructure, as well as the institutional and social changes proposed in these Strategic

Guidelines. In preparing the report, several federal, regional, state, and local plans and programs surfaced, all promoting economic integration through more secure trade, sustainability, and a better quality of life. There are also numerous efforts led by private-sector organizations that support the same principles and strategies embraced by the Strategic Guidelines. All these plans and programs, public and private, short-term and long-term, should be implemented because they contribute directly to the strengthening of the transborder region.

As the implementation process of the Strategic Guidelines evolves and the collaborative efforts of the border states become institutionalized, the recommendations presented here will influence the priorities for the plans. The guidelines are not intended to replace these plans but to complement them. The benefit of the overarching nature of the Strategic Guidelines is that it is the result of a collaborative effort, involving current and future planning efforts on both sides of the border.

## **5.2 Linking the Strategic Guidelines with the Development Planning Process**

The Strategic Guidelines introduce collaboration and bilateralism as guiding principles for economic and social development in the transborder region. They also advance the idea that existing governance structures should be adjusted to accommodate the need for more effective policies and programs that incorporate bilateral solutions to regional problems. State and local governments should consider these principles and priorities as a factor in their future planning processes. Incorporating the appropriate guidelines throughout the stages of their own planning process will give the guidelines higher visibility and let them be better understood by the stakeholders, elected and appointed officials, and the public. This will ensure that the appropriate goals and actions will be incorporated into the planning and policy documents of all border planning and policymaking entities.

## **5.3. The Convening Capacity of the 10 Border States**

An important objective of these Strategic Guidelines is to successfully build on past efforts and to sustain and lend continuity to earlier achievements. It is in that spirit that these Strategic Guidelines advance initiatives endorsed in previous conferences and seek to accomplish the following: 1) enhance transborder corridors for business and commerce and facilitate the creation of necessary logistics infrastructures; 2) energetically foster the

bilateral interactions that are essential for a more sound management of shared transborder resources, particularly water; 3) furnish border-region residents with increasingly higher quality educational opportunities, sharpening the region's global competitiveness; 4) recognize that improving regional security is a shared responsibility; and, 5) optimize the benefits inherent from the region's high degree of social, demographic, economic, and cultural diversity. Notwithstanding these important goals, an overarching objective of these Strategic Guidelines is the advancement of the understanding that the shared challenges facing both sides of the border necessarily require cooperative solutions. Furthermore, these Guidelines rest on the belief that the consensus and collective action of the 10 border states represent a fundamental driving force for the realization of all of these objectives.

## 5.4. Mechanisms for Monitoring the Implementation of the Strategic Guidelines

The Joint Statement of the XXVI Border Governors Conference in Hollywood in 2008 contained the decision to draft the Strategic Guidelines report. In addition to the guidelines themselves, it has been necessary to consider the creation of mechanisms to guarantee their effective implementation. This entails two key elements: *transparency* and *accountability*. Transparency is an attribute of the monitoring mechanism, which includes the public's ability to review the progress that has been made. Accountability is a reiterative decision that the Border Governors Conference and other organizations associated with this effort must make annually to turn the guidelines into an instrument for measuring the progress achieved.

Suitable organizations for providing follow-up already exist, but they will be further shaped by two mechanisms:

**5.4.1. Federal-State Advisory Mechanism.** Dialogue between the Border Governors Conference and federal government organizations occurs during preparatory sessions and in the conferences themselves. The agreements between the states and the national governments reflect differences between Mexico's centralized federal structure and the more decentralized U.S. federal system. For the six Mexican states, this dialogue takes place within the framework of meetings with federal liaisons, whereas the U.S. mechanism is ad hoc, individual, and decentralized.

A Federal-State Consultative Mechanism would aim to standardize the participation of federal governments in making agreements and designing strategies that the Border

Governors Conferences define as priorities for the U.S.-Mexico transborder region. This should foster greater consensus and support from the federal governments and turn the agreement-making process by the 10 states into something closer to a genuine transborder consensus between two nations with federal representation.

Bringing federal issues and the representation of both federal governments to the table is a key goal for the Border Governors Conference. To the extent that the transborder region grows in importance within the totality of issues between the United States and Mexico, the BGC acquires a greater stake in the bilateral relationship. In that respect, the BGC is the natural host and venue for a meeting between the two national governments. The once-a-year BGC joint meeting with the presence of both federal governments also becomes the natural setting to evaluate the Federal-States Mechanism and consider continuation of policies or their revision.

**5.4.2. Advisory Committee for the Competitive and Sustainable Development of the Mexico-United States Transborder Region.** The Advisory Committee for the Competitive and Sustainable Development of the U.S.-Mexico Transborder Region is created as an independent body, comprising no more than 12 highly qualified individuals of high integrity. Their task will be to evaluate the progress of the region in terms of the goals proposed by the Border Governors Conference. The Advisory Committee replaces the Economic Advisory Board and adopts a broader spectrum of approaches to the work of the Border Governors Conference. It could also fulfill the role of a technical secretariat. The Advisory Committee members will include academics working on border issues and outstanding regional business leaders from the four subregions of California-Baja California, Arizona-Sonora, New Mexico-Texas-Chihuahua, and Northeastern Mexican States-Texas (NEMEX-TEX). Committee members will not be paid for the work they perform, and they will meet at least once a year, sufficiently in advance of the Border Governors Conference so that they will be able to evaluate the year's activities and prepare a report that will be presented to a plenary session at the annual conference.

**5.4.3. Civil Society Organizations working toward a competitive and sustainable transborder region.** Transborder development requires coordinated action among various actors on both sides of the border. Traditionally, transborder government was conceived of as intergovernmental principally among federal agencies in order to solve shared security, health, and environmental problems. Currently, fiscal problems and the lack of effectiveness of traditional tools to confront complex border problems have overwhelmed the region's state and local governments. In the context of the growing binational interdependence between Mexico and the United States, we cannot regulate the issues of security or environmental protection only at the national level or through traditional intergovernmental

cooperation. Several key characteristics distinguish the government structure's current reality and are needed for the implementation of the Strategic Guidelines:

- Flexible and integrated networks, including public-private associations and citizen coalitions. These networks must complement government action, and on occasion, occupy spaces where the government cannot effectively intervene.
- Public and private universities must play a significant role in establishing these networks and maintaining a position of leadership in their functioning.
- We must recognize the role that nongovernmental organizations (NGOs) and other citizen initiatives play in noting when issues arise and advocating for government intervention and action at the earliest stages of these problems.

Since the Strategic Guidelines largely encompasses innovative policies and actions, the participation of nongovernmental networks during its implementation is broadly recommended. In the context of a global strategy, these networks can exercise at least three key functions:

- They can convene and bring to the table all the actors, mobilizing key districts, and offering a forum for exchange of points of view. The universities on both sides of the border have demonstrated success in playing this role.
- They can act as neutral third parties during the policymaking process, particularly during the negotiation of controversial issues, such as sharing natural resources and land-use administration.
- They can act as transborder advocates, pressuring governments to incorporate transborder aspects into their planning and policies.

## 5.5. Border Governors Conference

The Border Governors Conference currently deals with issues through a structure of 13 worktables. The design and follow-up of the joint declarations made annually at the Conference largely depend on the diligence and coordination of those designated annually to lead each of these 13 workgroups. The variations in the fulfillment of the goals and objectives recorded in each of the worktables in recent years reflect the difficulty experienced by the ten states in dealing with all the issues and contributing to the work required by the Border

Governors Conference. Likewise progress in interstate and international work is increasingly sensitive to the budgetary limitations of public funds.

The Border Governors Conference should therefore restructure the worktables to reduce the financial burden of the logistics of work and find a more effective, controllable structure to achieve the agreements. Within the framework of the Strategic Guidelines, the Border Governors Conference work should be organized around the strategic areas suggested here, in other words, *competitiveness, sustainability, security, and quality of life.*

## Chapter 6

### Final Remarks

The Strategic Guidelines contained herein are offered within the framework of a social, economic and environmental problem, and a critical situation regarding security for the transborder region. But as in any crisis, this situation includes opportunities that go beyond the immediacy of the problems, many of which are related to the present moment. They bear out the position that the opportunities provided by a crisis should be capitalized on to change structural issues, which in turn define the medium and long term.

In this respect, the Border Governors Conference has taken the initiative to convene society, businesspeople, academic institutions, and federal and local authorities to acknowledge the interdependence that is such an integral part of the transborder region, but also the enormous potential it represents.

## Endnotes and References

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- <sup>xx</sup> The Strategic Guidelines presented in this section were proposed by the participants in the Delphi Survey and the specialists who prepared the background papers for this Project.
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